Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | Paris, Saturday-Sunday, March 8-9, 1997 | No. 35,464

TODAY: 10 LEV Exclusive Investigative Report

Clinton Stands Ground On Election Financing

He Defends Gore and First Lady's Aide, But Puts Blame on Fund-Raising System

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton defended his administration's campaign fund-raising in the face of spirited questioning Friday at a press conference dominated by the issue.

The president described Vice President Al Gore and Hillary Rodham Clinton's chief of staff as "highly ethical people" and said he was convinced that neither had violated campaign laws by soliciting and accepting political contributions at the White House.

Mr. Clinton stood his ground unflinchingly as reporters asked question after question suggesting that the White House had acted improperly, if not illegally, in raising millions of dollars for his 1996 re-election campaign and that he had put those aides in a vulnerable position by pressing for funds. He said the fault lay in a fund-raising system that needed reform.

"I do not believe there's anything wrong for a president, me or anyone else, reaching out to his supporters," Mr. Clinton said at one point. "I don't think you can find any evidence of the fact that I changed government policy solely because of a contribution," he added, referring to Republican charges the Democrats accepted money from Asian business interests and others who sought to influence U.S. policy.

The president called Margaret Williams, the first lady's top aide, "an honorable person" but said that in hindsight it would have been better if she had not accepted a $50,000 political contribution at the White House.

Mr. Clinton also said the vice president's fund-raising calls from his office were part of a furious Democratic effort to keep up with the better-financed Republicans and that he did not believe Mr. Gore did anything wrong.

"We had to work hard within the law to raise a lot of money to be competitive," Mr. Clinton said.

Speaking at an afternoon news conference, Mr. Clinton said Ms. Williams was acting within the law when she accepted the check and quickly forwarded it to the Democratic National Committee. But Mr. Clinton said it would have been preferable if she had asked Johnny Chung, a California businessman, to mail or deliver the check to the committee himself.

"She was put in a rather unusual circumstance, and as a courtesy she agreed to do what the relevant regulation plainly provides for," Mr. Clinton said.

Mr. Clinton said he was not aware of a White House national security staff memo describing Mr. Chung as a "hustler" until it was reported in the news media. He said he believed that he met Mr. Chung at a Democratic Party event and said he had no close personal relationship with him.

"Maybe we didn't know enough about folks" who were gaining access to the White House because of their political support, Mr. Clinton said. He said he "assumed, wrongly as it turned out, that there were established procedures" for background checks on prospective White House visitors.

Mr. Clinton held to his position that it was up to Attorney General Janet Reno to decide whether to name an independent counsel to investigate 1996 Democratic fund-raising. *(AP, Reuters)*

■ No Violation of Law Seen

Roberto Suro of The Washington Post reported earlier from Washington:

Questionable campaign fund-raising practices at the White House, including

See CLINTON, Page 7

Anne Zieminski/Agence France-Presse

Backers of Cape Town's candidacy to hold the 2004 Summer Olympic Games whooping it up on the city's waterfront after hearing it was chosen as one of five finalists, with Rome, Stockholm, Athens and Buenos Aires.

For 5 Hopefuls, an Olympian Step

2004 Finalists: Athens, Buenos Aires, Cape Town, Stockholm, Rome

By Ian Thomsen
International Herald Tribune

South Africa, which was still serving a 24-year ban from Olympic competition as this decade began, was named Friday as one of five finalists in the election to be host to the 2004 Summer Olympics.

The South African nominee, Cape Town, will spend the next six months lobbying the International Olympic Committee for votes alongside fellow finalists Rome, Athens, Stockholm and Buenos Aires. If recent trends continue, the winner will spend the next seven years fretting, arguing and enacting a furious campaign of building on deadline prior to becoming the unofficial capital of the world during its two and a half weeks of Olympic celebration.

An IOC evaluation report expressed concern that South Africa would not be ready for the job in its post-apartheid infancy. The country is beset with a crime problem, and the stability of the government might be in doubt after Nelson Mandela steps down as president in 1999, the report said. It is also clear that the majority of black South Africans are still excluded economically and scholastically.

These issues will be hashed out as Cape Town and the other finalists begin inviting IOC voters for official visits leading up to the Sept. 5 election.

There were no surprises in the IOC's choices. South America, like Africa, has never been host to an Olympics. Buenos Aires, which was given a good recommendation from the IOC technical-evaluation committee, is making its seventh bid and is the only member of the 10 founding IOC nations to have not held the Games.

Europe has held 14 Summer Olympics, and the current odds are that the Games will return after visits last summer to Atlanta and in 2000 to Sydney. Athens (in 1896), Stockholm (1912) and Rome (1960) have all held Summer Olympics. All three cities were rated highly by the IOC evaluation.

"This is an adventure in two stages, and we've just gone through the first

See GAMES, Page 20

Bomb Blast Reported on Beijing Bus, Killing 2

Incident at Market Follows Explosions In Muslim Province

Compiled by Our Staff From Dispatches

BEIJING — At least two people were killed and several were wounded in a bomb attack on a bus in the Chinese capital during the Friday evening rush hour, Chinese sources said.

The cause of the explosion was not known, but it struck a capital already jittery over a string of bus bombings in northwestern China, whose large Muslim population wants more autonomy.

The police and officials refused to confirm that there was an explosion but said they were investigating.

The explosion went off in the Xidan shopping district in western Beijing, the sources said. Uniformed and plainclothes police were seen patrolling near the Xidan Market.

The police set up checkpoints around the capital, stopping and searching vehicles and checking drivers' papers.

Two weeks ago, in the Muslim region of Xinjiang, three bombs planted on buses blew up within minutes of one another in an apparently coordinated attack that coincided with the Feb. 25 funeral rites in Beijing for Deng Xiaoping, the country's paramount leader. A fourth bomb failed to explode. The attacks killed 9 people and wounded 74.

A pro-Beijing newspaper said Friday that China had arrested seven suspects in the attacks in the Xinjiang regional capital, Urumqi.

Exiled Uighur nationalists in neighboring Kazakstan claimed responsibility for the Xinjiang bombings and for a similar, previously unreported attack Monday near the Kazak border.

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Spring Brings Jobs to U.S., And Inflation Remains Cool

By Mitchell Martin
International Herald Tribune

NEW YORK — An early spring in the United States gave unexpected employment opportunities to construction workers last month, government data showed Friday, but investors did not see any inflationary signs in the February report and Wall Street finished the week with substantial gains.

February payrolls expanded by 339,000 positions, well above expectations, with 109,000 of those being construction jobs that coincided with relatively mild weather. The unemployment rate fell to 5.3 percent from 5.4 percent in January.

Although Wall Street was still digesting recent statements from Alan Greenspan, the country's chief central banker, who has warned that the Federal Reserve Board would raise interest rates even before the first signs of inflation became apparent, the report encouraged stock and bond investors to pile into the markets.

The Dow Jones industrial average closed up 56.19 points, at 7,000.89, and the broader Standard & Poor's 500-stock index gained 6.40, to 804.96.

The yield on the bond market's bellwether issue, the 30-year Treasury, fell to 6.82 percent from 6.88 percent on Thursday. The price surged 25/32 point, to 97 17/32.

The stock market had been doing even better until the president of the Federal Reserve Bank of Boston was quoted as saying that the creation of 2.5 million jobs last year was worrisome to the central bank. "Signals of labor-market tightness in the face of continuing above-trend growth clearly sound inflation alarm bells," Cathy Minehan, the Boston Fed president, was quoted by Bloomberg News as telling a forum at Middlebury College in Vermont.

Why would the markets rally in the face of what could be seen as inflationary data? "Job leavers among the unemployed declined," said Robert DiClemente, the chief economist at Salomon Brothers Inc., adding, "which is read, if you follow the logic, as a sign of insecurity and therefore a more passive work force that is less inclined to demand wage increases."

Merrill Lynch & Co. noted that hourly wages rose a less-than-expected

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The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.714	1.716
Pound	1.603	1.6143
Yen	121.90	121.155
FF	5.781	5.7875

The Dow		
	Friday close	previous close
+56.19	7000.89	6944.70

S&P 500		
change	Friday @ 4 P.M	previous close
+6.36	804.95	798.59

Newsstand Prices			
Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1.600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1.100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1.250 Din
Ivory Coast	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		

China Updates Criminal Code, and It May Be Harsher

By Seth Faison
New York Times Service

BEIJING — China's legislature has unveiled a major revision of its criminal law, introducing offenses such as money laundering and insider trading, and eliminating the overtly political category of "counterrevolutionary" crimes.

The first significant revision of the country's criminal code since 1979, the changes reflect an effort by an authoritarian state to grapple with the new kinds of crimes emerging as China becomes a more open society, as well as to handle old crimes in a more professional way.

Much as the reforms were presented as a step toward establishing a rule of law in China, they are more like laying out the skeleton of a modern legal system without providing any flesh. While they reflect a desire by China's judicial officials to be more competent, the new items are not expected to change the defining characteristic of Chinese courts: deciding cases based on guidance from Communist Party officials rather than on legal opinion.

It is a coincidence that the legal reforms, expected to be approved by the National People's Congress next week, were made public just two weeks after the death of Deng Xiaoping.

Yet like Mr. Deng's death and the political transition it symbolizes, the legal reforms are a figurative step toward greater professionalism without changing the essence of a system that is still run by a small, secretive and authoritarian group of party leaders.

Most notable among the revisions was the decision to abandon counterrevolutionary crimes as a legal category. The category, widely used in the past to prosecute political cases, has been criticized for years by Chinese legal experts as a form that has no basis in modern legal theory.

Essentially it meant something considered a threat to China's leaders, but some time ago it became a vague, catchall term that even the authorities had to admit was imprecise and outdated.

"Revision of the crimes of counter-revolution is made out of the consideration that China has left the era of revolution to enter the era of construction," said Wang Hanbin, a deputy chairman of the Congress Standing Committee, in announcing the changes.

But crimes previously considered counterrevolutionary are being reclassified as offenses that endanger state security.

"This will definitely serve to deal more telling blows at criminal activities designed to jeopardize state security," Mr. Wang said.

Robin Munro, Hong Kong director of Asia Watch, which monitors human

See CHINA, Page 7

Today's Drinkers Make Europe's Vintners Whine

By John Tagliabue
New York Times Service

ROME — It's not that Paola Nuvola doesn't like wine. She simply enjoys Coke more.

"It's just tasty, and I like it," said Miss Nuvola, who works with a publishing company in Rome. While her parents, like most Italians, are big wine drinkers, and a bottle stands on the table at the evening meal, she and her brother, Daniele, don't share the enthusiasm. In fact, she says, he prefers milk, soft drinks, mineral water, almost anything — and hardly drinks wine at all.

While it's true that Europe remains to wine what Saudi Arabia is to crude oil, the drinking habits of Europeans in their 20s, like Miss Nuvola and her brother, are giving winemakers in big wine-producing nations like Italy, France, and Spain a hangover.

In recent years, per capita consumption plummeted, as younger people hooked on Coke and beer deserted wine in droves. By 1994, the average Italian drank only 16.5 gallons a year. True, that is 10 times the 1.7 gallons consumed by Americans, yet it is well below the 19 gallons consumed in Italy in 1989. In France, average consumption dropped to 20 gallons from 23; in Spain, to 9.8 from 12.

With too much wine chasing too few drinkers, prices for Rieslings and Riojas, Chiantis and Cabernets are often sharply below what it costs to produce them.

This spells long-term trouble for Europe's wine industry, with the only bright spots being upscale wines and some cheaper ones. While some wineries are adjusting, an unsettlingly large number are not.

Exports do take up some of the slack, and in recent years Europe's wines have

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AGENDA

Yeltsin Gives Chubais Key Economy Post

President Boris Yeltsin named Anatoli Chubais as first deputy prime minister Friday, shifting the liberal reformer from his Kremlin staff to a key position in running Russia's day-to-day economic and government affairs. The appointment puts Mr. Chubais directly under Prime Minister Viktor Chernomyrdin, returning to a post he held until early 1996. The announcement was seen as another sign of Mr. Yeltsin's attempt to reinvigorate economic reform after months of drift and lethargy while he recovered from heart surgery and pneumonia. Page 7.

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The IHT on-line http://www.iht.com

Francois Mori/The Associated Press

CHARGING AHEAD — Louis Schweitzer, president of Renault, on Friday after defending the automaker's plans to cut jobs in France and Belgium. Page 13.

1 Surrogate, 2 Embryos Appall Italy

Compiled by Our Staff From Dispatches

ROME — A 35-year-old Italian woman provoked outrage Friday with the news that she is pregnant with the fetuses of two different couples.

The woman, who is three months' pregnant, offered to carry both fetuses when she learned her doctor was having trouble finding surrogate mothers, the Milan daily Corriere della Sera reported Friday.

To skirt Italian medical codes against surrogate pregnancies, the procedure was carried out in Switzerland, where the woman also plans to give birth, the paper said. After their birth, the babies will be matched to the right parents through a blood test.

The gynecologist, Pasquale Bilotta, said that he had implanted two eggs from different women and fertilized by separate men in the surrogate mother. He said both female donors were Italian.

Reports have identified the woman only as Angela, a mother of two living in Rome. In an interview with the Turin newspaper La Stampa, the woman said she was receiving only expenses.

Health Minister Rosaria Bindi said, "We have crossed unimaginable boundaries." Earlier this week, she announced a temporary ban on all forms of human and animal experimentation linked to cloning.

She said the case "has brought us to limits never before crossed" and called for a law to regulate surrogate motherhood.

Dr. Aldo Pagni, head of the Italian physicians' association, said disciplinary action should be brought against the gynecologist.

Dr. Bilotta said that the operation was

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Miami Vice II: Russian Mob, Subs and Cocaine

By Mireya Navarro
New York Times Service

MIAMI — Around 11 P.M. on a weeknight, Porky's is half-full with young men in jeans and baseball caps who paid $5 and a two-drink minimum charge to watch women strip and dance, either on a smoke-filled stage or, for an extra $20, in the men's laps.

But Porky's, a blue-collar strip club in Hialeah, near Miami International Airport, did more than deliver on its advertising motto, "Get lost in the land of love," law-enforcement officials assert.

In the pink neon light that bathes its denizens, they say, criminal intrigue also hatched between international conspirators: Ludwig Fainberg, 39, the club's owner and a suspected figure in Russian organized crime in southern Florida, and Juan Almeida and Nelson Yester, two 37-year-old Cuban immigrants accused of being middlemen for Colombian drug cartels.

Their most brazen plot, the authorities say, was negotiating to buy a submarine in the former Soviet Union for $5.5 million to transport cocaine from Colombia to the United States and Canada. It would be far-fetched, Drug Enforcement Administration officials said, if this were not Miami, the North American operations center for cocaine traffickers.

"The movers and shakers are here," said Pam Brown, an agency spokeswoman, "and if you are into criminal activity and opportunity, this is the place to be. They were just creating a new mode of transportation."

While the case could play as a plot of "Miami Vice," it illustrates how the crime world is expanding in Miami. A new element has been added to the region's celebrated mix of two-bit con artists and Colombian drug lords, law-enforcement officials say: Russian mobsters.

Drug-enforcement experts say a growing cocaine market in the former Soviet Union and Eastern Europe has led criminal groups from the former Soviet republics to become partners in crime with the South American drug cartels. In addition to entering the cocaine trade here, Russian mobsters have been emerging as threats nationwide for offenses ranging from extortion to financial fraud.

Mr. Fainberg, also known as Tarzan for his long hair, and his two co-defendants are charged in a 30-count federal indictment issued in late January. Federal investigators say that Mr. Fainberg first met Mr.

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Holocaust Fund: Next Battle Challenges Swiss Self-Image

By Alan Cowell
New York Times Service

ZURICH — With the proposal of a huge fund for victims of oppression, the focus of Switzerland's debate over its role in World War II has narrowed in part to a 57-year-old tycoon who has likened the European Union to the Third Reich and who believes that no Swiss public money should be paid in compensation for the Holocaust.

The tycoon, Christoph Blocher, is the leading figure in the Swiss People's Party, the smallest of the four that make up the governing coalition. He represents a nationalist, conservative political nucleus around which opposition to Holocaust compensation at Swiss public expense is coalescing.

On Wednesday, President Arnold Koller set forth an audacious and contentious plan to increase the stated value of Switzerland's underpriced gold reserves to current market prices and use the "profits" for a $4.7 billion investment fund. The earnings from the fund, likely to be several hundred million dollars a year, would be used equally inside and outside Switzerland to compensate victims of genocide and abuse, including the Holocaust.

The suggestion was broadly welcomed by American and Swiss Jewish groups as a turning point after months of opprobrium over Switzerland's wartime history. Indeed, many Swiss newspaper commentators, officials and diplomats said Thursday that it could mark the end of the worst confrontation between Switzerland and its adversaries.

But it was also a point of departure for what is likely to be a hard-fought battle to persuade some Swiss to see their past in anything less than the heroic light of moral superiority.

Even within the government, Mr. Koller's plan, which was worked out in

NEWS ANALYSIS

unusually tight secrecy, drew only limited support, with three of seven cabinet members arguing that the idea was hasty. Mr. Blocher's party, moreover, said its offices had been inundated with telephone calls from recruits to join the party.

Essentially, the debate pits two clear visions of the past — neither as strident as the widespread American condemnation of Switzerland's wartime gold transactions with Nazi Germany, its treatment of Jewish refugees and the resistance of its private banks to helping relatives of Holocaust victims trace assets.

One vision, set out by Mr. Koller, urges self-examination, not because the Swiss should "feel ashamed that we escaped the war," but because "we cannot and must not take leave of the century in a state of uncertainty, confusion and embarrassment, for that would be a mortgage that would fatally burden the decisions to be made in the next century."

The alternate vision, more prevalent among older Swiss, puts the debate in a wider context, arguing that what is really under assault is the essence of the Swiss character and neutrality: the nominal aloofness from the travails of those around them that permitted Switzerland to deal as easily with Nazi Germany during World War II as it espoused the economic advantages of the West in the Cold War.

That is where Mr. Blocher comes in. The son of a Protestant pastor, Mr. Blocher was born in Schaffhausen, on the border with wartime Germany, and studied law at Zurich University. Turning to business, he rose to become chairman and chief shareholder of EMS-Chemie AG, which produces agricultural chemicals, synthetic fibers and epoxy resins.

It is an enigma of his position that, while his business is global (with factories in Asia and the United States), his politics are more introspective: He is opposed to Switzerland's integration into the European Union or the United Nations, and jealous of its neutral status. Mr. Blocher did not respond to requests for an interview.

In a major speech last weekend, he urged the Swiss to respond more forcibly to what he termed a campaign by Jewish organizations to wring money from Switzerland for a wartime record of which, he said, the Swiss could and should be proud.

"What is all this really about?" he said. "Looked at soberly, it is about demands for money from Switzerland. What is not so clear is what Switzerland should be paying this money for."

Switzerland's private banks have put $70 million into a fund for short-term help to Holocaust survivors, a fund that is separate from the project announced by Mr. Koller, but Mr. Blocher insisted that the government should "have nothing to do with this."

He added, "There is no question of compensation, however it is termed, for a purportedly erroneous Swiss trade and economic policy during World War II."

Moreover, he said, those who conclude from the current debate that Switzerland's neutrality is obsolescent should learn a lesson from World War II, when Hitler's propaganda minister, Josef Goebbels, also urged the Swiss to find accommodation in a "new European order."

"Do not some political leaders today wish to abdicate basic democratic rights to a centralized bureaucracy in Brussels?" he said.

The comparison of European conditions today and 60 years ago astonished many Swiss commentators.

Mr. Blocher is already viewed as a powerful spoiler: He organized a referendum in 1992 that blocked Switzerland's membership in the European Union.

It is in part to preempt similar moves over the various Swiss funds under discussion that the authorities have deliberately cast their latest proposal not so much as a Holocaust fund but as a broader, long-term effort — taking at least a year to establish and 10 years to carry out fully — that cannot be depicted by Mr. Blocher and his allies as Jewish-oriented.

Mr. Blocher's comparison of the European Union to the Third Reich is not the only historical parallel coaxed forth by Mr. Koller's proposals.

One of the principal charges leveled against the wartime Swiss is that they knowingly dealt in Nazi gold, some of it almost certainly looted from occupied countries, to discourage Hitler from invading.

Now Switzerland is again hoping to turn its gold deposits to use in the politics of survival — not, this time, against a military adversary, but against an international uproar that has tarnished its reputation for honest dealing and has raised the unwelcome prospect of boycotts and other sanctions against its banks.

BRIEFLY

Poll Gives Labour A 26-Point Lead

LONDON — A poll released Friday further darkened the prospects of John Major's Conservative government for surviving upcoming general elections.

A Gallup poll in the Daily Telegraph gave the opposition Labour Party a crushing 26-point lead — up 11 points in a month — over the Conservatives with less than seven weeks remaining to general elections, widely expected on May 1.

Another poll, in The Independent newspaper, put the gap at 21 points.

No governing party in Britain has won an election after being that far behind so close to elections. *(AFP, Reuters)*

Moscow to Grant Chechens Amnesty

MOSCOW — Moscow's Parliament, swallowing its wounded pride over defeat in Chechnya, voted overwhelmingly Friday to give amnesty to Chechen fighters in a bid to win freedom for Russian prisoners of war.

The amnesty, which officials said will become law after a final vote on March 12, gives a presidential commission the authority to free Chechens and other detainees whenever they can be exchanged for those in captivity in the breakaway region.

Excluded from the amnesty, however, are a number of crimes, including "banditry." *(Reuters)*

Ankara Hits Army With Election Threat

ANKARA — Turkey's governing Islamists countered the army's demands for a clampdown on religious activism Friday with a threat of new elections to strengthen the government's hand against the secularist generals.

But the call for early elections by a close aide of Prime Minister Necmettin Erbakan was seen by politicians as a scare tactic and received little backing. The coalition partner, Tansu Ciller, ruled out balloting.

State Minister Abdullah Gul was quoted by the Milliyet newspaper as saying: "At a time when Turkey is choked, the democratic system is being squeezed and pressure is mounting, we have to go to elections. That is my personal opinion." *(Reuters)*

Albanian Rebels Refuse Official Amnesty Offer

Compiled by Our Staff From Dispatches

TIRANA, Albania — Armed rebels behind barricades in Albania's southern towns of Sarande and Vlore refused to lay down their weapons on Friday despite an amnesty offer to the insurgents from President Sali Berisha.

The United States and Europe welcomed Mr. Berisha's move to suspend the army's advance south to end the rebellion and urged the president, the ruling Democrats and opposition parties to reach a political settlement to end the crisis.

Although there appears to be little or no coordination between the armed protesters holding several southern towns and opposition politicians in Tirana, both issued new demands a day after an agreement in which Mr. Berisha agreed to a 48-hour halt in offensive military operations.

Rebel committees in the Adriatic towns of Sarande and Vlore, where rioting and looting broke out last weekend, said they would not surrender their arms until Mr. Berisha stepped down.

"We're not giving up our weapons until Berisha resigns," Fuat Karali, a former police officer and now a member of Sarande's rebel council, told a rally in the town square.

The public gathering in Sarande issued a list of demands: formation of a government of technocrats, new elections, dismissal of administrators of state TV and other official media, and a promise not to prosecute army officers who joined the protesters or soldiers who did not stop them from taking over military bases.

Barricades were strengthened around Sarande, a town on the Adriatic coast of some 15,000 people.

The message appeared the same from the port of Vlore, 160 kilometers north of Sarande.

"They said the amnesty will not satisfy them," a Western reporter who reached the town said by telephone. "They want President Berisha to resign and they want their money back."

Nearly half of Vlore's 80,000 people, as well as hundreds of thousands of other people across the country of 3.4 million, had invested their savings in fraudulent pyramid investment schemes that crumbled in January.

The collapse of the financial pyramids at the beginning of the year sparked weeks of protests that erupted into anarchy last weekend as rioters went on the rampage, seizing arms from police and army depots and looting shops. At least 16 people have been reported killed in Vlore, many by random shooting.

Mr. Berisha, who held talks with all political parties on Thursday, called a halt to the military push and offered an amnesty if insurgents surrendered their arms by 6 A.M. on Sunday.

In Rome, Defense Secretary William Cohen welcomed the decision.

"This is primarily a political problem to be resolved and certainly not a military one," he said, "but there has been a cease-fire and that is a very productive sign." *(Reuters, AP)*

Desmond Boylan/Reuters

PROTEST IN SPAIN — Supporters of Basque separatists demonstrating in front of riot police in San Sebastian. A general strike call erupted into violence as police clashed with about 2,000 demonstrators.

Students End Belgrade Protest

Reuters

BELGRADE — Thousands of students ended 106 days of daily political protests here Friday after their diehard rector resigned. They celebrated victory by surrounding President Slobodan Milosevic's office shouting, "You Are Next."

"Now that my demand for the students to return to classes has been fulfilled," the Belgrade University rector, Dragutin Velickovic, told state media, "I am tendering my resignation."

The students had offered to end the marathon protest and return to classes Friday if Mr. Velickovic stepped down. He in turn said he would resign only when they returned to classes.

German Opposition Suspends Tax Talks

By John Schmid
International Herald Tribune

FRANKFURT — Germany's opposition Social Democrats angrily suspended their tax reform negotiations with the government Friday, throwing another obstacle into the bottlenecked tax talks that are meant to combat Germany's record unemployment.

A decision late Thursday by Chancellor Helmut Kohl's government to phase out subsidies to the nation's beleaguered coal mining industry prompted the Social Democrats to postpone the talks as an act of protest.

"The destruction of 60,000 jobs in German mines planned by the federal government is an intolerable provocation," the party said in a statement. Germany's main mining regions are in North Rhine-Westphalia and Saarland, both states that are governed by the Social Democrats.

No new date immediately was set for the tax discussions, originally scheduled for Saturday. The national committee of the Social Democrats convenes Monday to set conditions to resume contact with Mr. Kohl's center-right government.

Accusing the government of hypocrisy, the Social Democrats pulled out of the tax talks, which are meant to create jobs, on the argument that cuts in coal subsidies would exacerbate unemployment in the already depressed coal mining regions.

"In this atmosphere and on this basis, the planned tax discussions on Saturday do not make any sense," the Social Democrats said.

Thousands of miners in the Ruhr River mining region put down their tools Friday and occupied mines near Duisburg, Gelsenkirchen, Herne, Recklinghausen and Dorsten.

Under pressure to rein in its budget deficits, Mr. Kohl's coalition announced Thursday that it would reduce annual coal subsidies to 3.8 billion Deutsche marks ($2.2 billion) by 2005. Currently, coal miners get 10 billion marks in aid each year to support more than 90,000 jobs. Union leaders fear the subsidy cuts will mean a heavy loss of jobs.

Prior to the coal subsidy dispute, Mr. Kohl had been prepared to terminate the tax reform negotiations if the Social Democrats failed to compromise at the meeting Saturday, sources in Mr. Kohl's coalition said Friday. Annulling the talks would represent a significant setback for tax reform, which is what Mr. Kohl wants to use as the main weapon in combatting unemployment, now at 11.3 percent.

TRAVEL UPDATE

Thai Police Get Tough

BANGKOK (AP) — Thai police are planning to take a harder line toward con artists who trick tourists into paying high prices for cheap gemstones, a tourism official said Friday. The move is among a number of measures agreed upon by the Tourism Authority of Thailand and the police department to improve the security and safety of foreign visitors.

Air Taxes Rise in U.S.

WASHINGTON (AP) — A 10 percent tax on domestic commercial airline tickets returned Friday as part of a package of aviation levies that will pump $2.7 billion into airport safety projects. In addition to the 10 percent tax on domestic tickets, there is a $6-per-ticket tax on international departures, a 6.25 percent tax on domestic air cargo and excise charges on noncommercial aviation fuel. Congress has let the taxes expire twice since January 1996 but voted last week to reauthorize them through Sept. 30.

UPS to Fly Passengers

ATLANTA (AP) — United Parcel Service will soon begin delivering people on the weekends as well as packages. UPS said Thursday it can convert its Boeing 727s in under four hours by loading a platform fitted with carpeting and seats through the extra-wide cargo doors. The weekend passenger flights are scheduled to start March 15.

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical), 4, bd. de Pibrac, Colomer. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa, Sun. 11; **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service. Sundays: 11 a.m. 9, rue Louis Notary. Monte Carlo. Tel.: 377 92 18 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 38 56. Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740 Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Stn. Tel.: 3400-0947, Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

USA

If you would like a free Bible course by mail, please contact: L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN, Rothenburg Str. 13, (Steglitz) Sunday, Bible study 10.45, worship Service 12.00 noon, Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenkhostr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper. Tel. 312 3660.

BUDAPEST

I.B.C., meets at Moricz Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3692.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 83150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Lavey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 92 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631086 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine, Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-048.

PARIS

AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quai d'Orsay, Pans 7. Bus 63 at door. Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery. International, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service. Sunday School & Nursery, Sundays 11:30 a.m., Scharrangasse 25. Tel.: (01) 2625525.

Juppe Would Add Women to Parliament

Reuters

PARIS — Prime Minister Alain Juppe is considering increasing the representation of women in Parliament by imposing quotas on electoral lists, although most legislators would vote against such a law, Le Monde reported Friday.

It said Mr. Juppe's conservative government was studying whether to propose legislation introducing such quotas before the 1988 legislative elections.

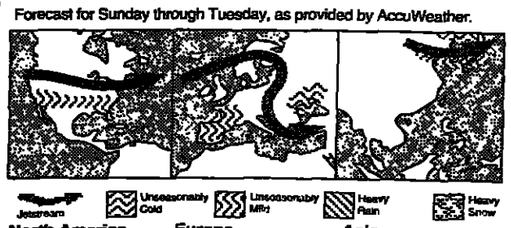
When the opposition Socialists last month announced their candidates for the elections, 30 percent of them were women.

A survey of French deputies by Le Monde showed that 60 percent of those who answered were opposed to a quota system. Taking part in the survey were 312 of the 576 deputies in the National Assembly.

Of the Assembly's 32 women, 22 said they were against a quota.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



North America
The southern half of the nation will stay mild, while the northern half is close to normal. Wet weather will dampen the Great Lakes Sunday, then move into the East Sunday night or Monday. A series of storms will bring unsettled weather to the Northwest and northern Rockies.

Europe
A broad area of high pressure at the surface and aloft will keep much of Europe dry with near- to above-normal temperatures. However, cool and rather unsettled weather will affect southeastern areas, such as Istanbul and Athens. The main storm track will continue to be into Scandinavia.

Asia
Dry and continued quite mild in Beijing through Tuesday. Seoul and Tokyo will enjoy a moderating trend, though showers can affect these areas Tuesday. Brisk and cold across northern Japan with flurries. Sunshine and warm in Hong Kong, while a thunderstorm could affect Singapore each afternoon.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	19/66	8/46 pc	18/64	10/50 s
Amsterdam	12/53	6/43 c	13/55	8/46 c
Ankara	0/32	-5/24 sn	0/32	-5/24 sn
Athens	12/53	6/43 c	10/50	6/43 sh
Barcelona	13/55	5/41 s	13/55	7/44 s
Belgrade	6/43	-2/29 c	9/48	-2/29 s
Berlin	13/55	2/37 pc	13/55	7/44 s
Brussels	14/57	9/48 c	15/59	9/48 c
Budapest	7/44	0/32 s	9/48	0/32 pc
Copenhagen	8/48	3/37 pc	8/48	6/43 pc
Costa Del Sol	17/62	7/44 s	18/64	8/48 s
Dublin	11/52	7/44 s	14/57	9/48 c
Edinburgh	9/48	3/37 s	12/53	7/44 pc
Florence	13/55	2/35 s	14/57	6/43 s
Frankfurt	13/55	2/35 c	11/52	3/37 s
Geneva	14/57	6/43 s	18/61	7/44 pc
Helsinki	3/37	-5/24 sn	3/37	2/35 c
Istanbul	9/48	3/37 sn	12/53	5/41 pc
Las Palmas	22/71	15/59 s	21/70	14/57 s
Lisbon	19/66	9/48 pc	18/61	9/48 s
London	12/53	5/43 pc	15/61	6/43 s
Madrid	20/68	7/44 s	18/61	1/34 sh
Mallorca	12/53	6/43 s	12/53	9/48 s
Milan	15/61	6/43 pc	18/64	7/44 s
Moscow	1/34	-3/27 c	0/32	-4/25 sn
Munich	11/52	2/35 pc	12/53	3/37 pc
Nice	16/61	9/48 pc	17/62	11/52 pc
Oslo	6/46	2/35 s	10/50	2/35 s
Paris	13/55	8/46 pc	14/57	4/39 pc
Prague	11/52	2/35 pc	10/50	0/32 s
Reykjavik	7/44	0/32 c	1/34	-1/31 sn
Rome	14/57	7/44 pc	16/61	4/39 sh
St. Petersburg	3/37	-3/27 sn	2/35	2/35 pc
Stockholm	6/43	-2/29 pc	8/46	4/39 pc
Strasbourg	15/59	7/44 pc	15/61	7/44 pc
Tallinn	2/35	-5/24 sn	3/37	2/35 c
Venice	13/55	3/37 s	15/59	6/43 s
Vienna	15/59	6/43 s	14/57	8/48 pc
Warsaw	9/48	4/39 s	10/50	6/43 s
Zurich	13/55	6/43 pc	14/57	6/43 pc

Middle East

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Abu Dhabi	28/79	14/57 pc	27/80	14/57 pc
Beirut	12/53	5/41 s	14/57	7/44 s
Cairo	17/62	6/43 pc	21/70	8/46 s
Damascus	7/44	-1/31 s	11/52	-1/31 s
Jerusalem	8/46	0/32 pc	11/52	1/34 s
Luxor	24/75	9/48 s	25/77	10/50 pc
Riyadh	25/77	11/52 pc	26/79	12/53 pc

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bali	32/89	21/70 s	31/88	21/70 pc
Bangkok	34/93	23/73 s	33/91	24/75 s
Beijing	14/57	3/37 s	17/62	6/43 c
Bombay	33/91	20/68 s	33/91	20/68 s
Calcutta	33/91	19/66 s	33/91	21/70 s
Chiang Mai	36/97	21/70 s	33/91	23/73 s
Colombo	28/82	21/70 s	28/82	22/71 s
Hanoi	27/80	16/64 pc	28/82	17/62 pc
Ho Chi Minh	33/91	23/73 pc	31/88	24/75 pc
Hong Kong	25/77	17/62 pc	25/77	18/61 pc
Islamabad	26/79	11/52 pc	24/75	13/56 c
Jakarta	28/82	23/73 r	28/82	22/71 pc
Karachi	26/79	14/57 pc	27/80	18/61 s
K. Lumpur	31/88	22/71 r	31/88	22/71 r
K. Kinabalu	31/88	25/77 c	31/88	25/77 c
Manila	30/86	20/68 pc	29/84	21/70 c
New Delhi	34/93	19/66 s	32/89	16/61 pc
Phnom Penh	33/91	21/70 s	31/88	22/71 pc
Phuket	34/93	23/73 s	33/91	24/75 s
Rangoon	35/95	24/75 s	32/89	24/75 s
Seoul	10/50	-1/31 pc	12/53	2/35 c
Shanghai	19/66	12/53 pc	18/64	15/61 r
Singapore	32/89	25/77 c	32/89	24/75 c
Taipei	24/75	17/62 pc	24/75	19/64 pc
Tokyo	16/61	2/35 s	13/55	2/35 s
Ventiane	27/80	18/64 pc	27/80	17/62 pc

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	-1/31	-6/22 sn	-4/25	-14/7 sn
Atlanta	19/66	9/48 pc	19/66	8/48 pc
Boston	1/34	-4/25 sn	1/34	-5/22 pc
Chicago	8/43	0/32 pc	7/44	-2/29 pc
Dallas	20/68	13/55 sh	23/73	9/48 pc
Denver	11/52	-4/25 s	13/55	-1/31 s
Detroit	6/43	-2/29 pc	7/44	-3/27 pc
Honolulu	26/79	19/66 s	26/82	18/64 sh
Houston	23/73	15/59 c	24/75	12/53 pc
Los Angeles	26/79	12/53 s	26/79	11/52 sh
Miami	27/80	20/68 pc	27/80	19/66 pc
Minneapolis	0/32	-4/25 c	3/37	-6/22 pc
Montreal	-9/16	-16/4 c	-4/25	-12/11 sf
Nassau	26/79	19/66 pc	26/82	18/66 pc
New York	6/43	0/32 sh	7/44	0/32 pc
Orlando	26/79	15/59 pc	26/79	14/57 pc
Phoenix	28/82	11/52 s	26/79	11/52 r
San Fran.	19/66	9/48 s	20/68	13/55 pc
Seattle	9/48	4/39 sn	13/55	4/39 pc
Toronto	-3/27	-7/20 sn	2/35	-5/18 pc
Vancouver	6/43	0/32 sn	9/48	2/35 pc
Washington	11/52	2/35 pc	10/50	3/37 pc

Africa

Algiers	14/57	9/43 sh	15/59	5/41 pc
Cape Town	23/73	12/53 s	24/75	13/56 s
Casablanca	22/71	12/53 pc	22/71	12/53 pc
Harare	29/84	10/50 s	29/84	11/52 pc
Lagos	32/89	24/75 s	32/89	24/75 pc
Nairobi	29/84	12/53 pc	27/80	12/53 sh
Tunis	14/57	7/44 sh	13/55	5/41 pc

Latin America

Buenos Aires	28/82	17/62 pc	28/82	16/61 pc
Caracas	28/82	20/68 pc	28/82	22/71 pc
Lima	29/84	22/71 pc	29/84	22/71 pc
Mexico City	23/73	7/44 pc	23/73	9/48 pc
Rio de Janeiro	28/82	20/68 s	26/79	20/68 pc
Santiago	28/82	9/48 s	28/79	9/48 s

Oceania

Auckland	20/73	18/64 sh	25/77	21/70 sh
Sydney	25/77	19/66 pc	21/70	13/55 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris

Americans Tip the Scales Higher

Category of Overweight Adults Expanded by 9% in 14 Years

By Curt Suplee
Washington Post Service

WASHINGTON — Americans have gotten relentlessly fatter over the past two decades, despite a nationwide obsession with dieting and urgent repeated warnings from medical experts, the federal Centers for Disease Control and Prevention said Friday in its latest large-scale survey.

The segment of adults classified as overweight grew by 9 percent from 1980 to 1994, while the segment of U.S. children and adolescents grouped as overweight increased by 6 percent in the same period, the survey found.

The latest figures indicate that, because of overeating and pandemic sloth, 35 percent of the country's adults weigh dangerously more than they should, along with 14 percent of children aged 6 to 11 and 12 percent of adolescents aged 12 to 17. This is the heaviest the nation has been since the government began compiling comprehensive statistics in the 1960s.

"Americans need to do better in choosing a healthy diet and a sensible plan of physical activity," Health and Human Services Secretary Donna Shalala said.

Many analysts say it would take fairly modest modifications in most people's behaviors to slow the pudge boom.

"It's really important for people not to think that they have to go on strict diets or join gyms," said Cynthia Ogden, an epidemiologist at the National Center for Health Statistics, which produced the study. Citing a report issued by the surgeon general in July that recommended 30 minutes of such moderate physical activity as walking or gardening daily, she said, "Basically, it's just moving around."

Obesity and related conditions contribute to an estimated 300,000 deaths a year, making them the No. 2 leading preventable cause of death after smoking.

The new weight survey, published in the centers' Morbidity and Mortality Weekly Report, shows that several groups are at disproportionate risk. Among all U.S. women surveyed, for example, 36 percent were overweight. But the rate was 50 percent among Mexican-American women and 52 percent in non-Hispanic black women.

The rate among males — 33 percent on average — did not vary appreciably by race or ethnicity, the researchers found.

Americans simply have been getting too much chow and too little exercise, the report suggests. Modern life does not oblige them to walk as much or use their muscles as hard as they did even a couple of decades ago, the authors wrote, citing changes in "transportation patterns, household work and time spent in inactivity (e.g., watching television and playing electronic games)."

Vast numbers of Americans — 59 percent of women and 49 percent of men — engaged in little or no physical exercise, the report found.

Mariana Bazo/Reuters

Peruvian police guarding an unspecified construction site behind the Japanese ambassador's residence in Lima.

Lima Rebels Fear Raid via a Tunnel

By Calvin Sims
New York Times Service

BUENOS AIRES — Marxist rebels who are holding 72 hostages at the Japanese ambassador's house in Lima say they are abandoning negotiations to end the crisis because they believe that the Peruvian police are digging a tunnel beneath the residence as a prelude to a military assault.

In a radio conversation with local journalists, the leader of the Tupac Amaru guerrillas, Nestor Cerpa Cartolini, said Thursday that for the last three days the rebels had heard loud noises coming from beneath the residence's floor.

"This all shows, without a doubt, that they are preparing a military action, with the tactic of invading from the inside and the outside," Mr. Cerpa said.

Some Peruvian government officials and foreign diplomats in Lima said Mr. Cerpa's contention is believable based on past police activities outside the residence.

But there was no immediate reaction to the accusations from the police or from the office of President Alberto Fujimori.

The government and the guerrillas were scheduled to hold their 10th round of talks Friday, but the members of the Tupac Amaru Revolutionary Movement said they would not attend.

"We don't believe that it's correct for them on the one hand to speak of conducting a dialogue to resolve the crisis and on the other hand to engage in this type of activity," Mr. Cerpa said.

In recent days Mr. Fujimori sought to portray the talks as advancing after he obtained a commitment from Cuba to give the guerrillas asylum, an option the rebels rejected.

POLITICAL NOTES

Clinton Pushes His Domestic Agenda

LANSING, Michigan — Washington may be absorbed with the daily twists and turns of the campaign fund-raising controversy, but in central Michigan it barely cast a shadow over President Bill Clinton as he became the first chief executive since Theodore Roosevelt to address a joint session of the Michigan Legislature.

Delivering a speech on Thursday in which he urged adopting national education standards in reading and mathematics and making improvements in the welfare bill that was passed last year, Mr. Clinton received a rousing reception from Democrats and Republicans alike, including Governor John Engler, a Republican, who supports many of the same ideas on education and welfare changes.

The trip was the second in a series of visits to state legislatures intended to blunt the troubles over campaign financing and allow Mr. Clinton to whip up interest in his domestic agenda.

Michigan residents demonstrated what pollsters have been saying and what the White House is counting on, that campaign finance is not a burning issue for average Americans.

"Maybe people would talk about it over breakfast, but they wouldn't dwell on it," said Cheryl Chapko, chief of staff to the Republican state senator Harry Gast. *(NYT)*

Diplomatic Gaffe Adds to Gore's Woes

WASHINGTON — Vice President Al Gore's awful week was not limited to domestic troubles. It seems he wrote a letter talking of his concern over the "civil conflict in Khalistan" that Sikh separatists immediately trumpeted as proof that the United States "recognizes the Sikh homeland Punjab as sovereign and independent."

Needless to say, this did not amuse the Indian Parliament, which went into an uproar.

It was left to the State Department spokesman, Nicholas Burns, to take the heat at a briefing, where a reporter asked whether the White House checks this stuff before it goes out or "was it that the White House thought that Khalistan was a Central Asian republic" like the other 'stans?

"Well, you know," Mr. Burns replied, "sometimes we have a perfect foreign policy and sometimes we have minor mistakes. In this case there was a mistake."

"We apologize to the government of India," Mr. Burns said, "because, of course, we do not recognize a republic of Khalistan. We recognize the Punjab to be part of India. There's no mistaking that." At least there hasn't been until now. *(WP)*

Quote/Unquote

Charles Lewis, executive director of the Center for Public Integrity, on a letter from an associate of Vice President Al Gore's soliciting donations to refurbish the vice president's residence. "There's a fascinating audacity about this. Of all times for Gore to be soliciting. It looks like they took the Democratic National Committee money list and used it to raise money to refurbish the residence." *(NYT)*

Away From Politics

• **After a nationwide talent search,** the University of California has announced that it has finally found new chancellors to run its campuses in Los Angeles and Berkeley. To head UCLA, the nine-school system has hired Harvard University's provost, Albert Carnesale, 60. Robert Berdahl, 60, president of the University of Texas at Austin, was chosen to head the Berkeley campus. *(NYT)*

• **With the jury unable to decide** between a sentence of death or life imprisonment, a judge in Fayetteville, North Carolina, imposed two concurrent life terms on James Burmeister 2d, a white former soldier, for the racially inspired murder of a black couple. *(NYT)*

• **It has been the basis of many** science fiction stories: The rocket returning from Mars carries an unknown organism destined to cause havoc on the Earth. Now, a panel of scientists has warned the National Aeronautics and Space Administration that plans to send robot spacecraft to Mars to bring back soil samples should include stringent precautions to prevent contaminating Earth with alien organisms. *(NYT)*

Michael Manley, 72, Ex-Leader of Jamaica, Dies

Compiled by Our Staff From Dispatches

KINGSTON, Jamaica — Michael Manley, 72, who led Jamaica down the road of socialism as prime minister in the 1970s, died Thursday night after a long battle with prostate cancer, a family spokesman said Friday.

Mr. Manley, who returned to head a more moderate government in 1989 but resigned because of illness in 1992, was described by his successor, Percival Patterson, as a "colossal figure" on the Jamaican political scene.

Mr. Manley will be remembered "for his passionate fight for social equity and justice," Mr. Patterson said.

In an article for The New York Times in 1975 that was a typical expression of his political views and literary style, Mr. Manley wrote: "Gross maldistribution of the world's wealth and food is no longer a moral offense only. It now represents the greatest practical threat to peace and to any desirable development of mankind."

As prime minister from 1972 to 1980, he embraced socialism and flirted with President Fidel Castro of Cuba, earning the wrath of the United States. But in his second stint as leader, he was hailed by President George Bush as an apostle of free-market economics.

Born Dec. 10, 1924, Michael Norman Manley breathed politics from the crib. His father, Norman Manley, was a national hero who was prime minister in 1962 when Jamaica gained independence from Britain. His English-born mother, Edna, was a noted sculptor.

He succeeded his father as leader of the People's National Party in 1969, and became prime minister when the party won elections in 1972.

His rhetoric turned leftist; his official clothing became tropical casual or African-influenced and he ordered the party's "10 Steps to Socialism" printed in Kingston's biggest daily newspaper. His stances won him the support of Rastafarians, reggae stars such as Bob Marley and black nationalists, who were initially cool because of Mr. Manley's mulatto background.

Mr. Manley won a second term in 1976 in a violence-scarred election and wrapped his arms around Mr. Castro. The alliance chased investors from the island, drew opposition in the United States and the International Monetary Fund and led to a deep recession.

When Mr. Manley ran for a third term in 1980, nearly 700 people died in election-related violence. Mr. Manley was defeated in a landslide by the Jamaican Labour Party, whose conservative leader, Edward Seaga, became prime minister.

Mr. Manley returned to the business suit and tie of his youth and began courting the private sector, a strategy that paid off in 1989 when the People's National Party and its leader returned to power.

During a trip to the United States in 1990, Mr. Manley received praise from President Bush, who said that Mr. Manley had "done a first-class job in trying to move Jamaica forward."

But his health declined, and in 1992 he turned power over to Mr. Patterson, the architect of Mr. Manley's economic policies. *(AFP, Reuters, NYT)*

Cheddi B. Jagan, 78, Leader Of Guyana Opposed by U.S.

New York Times Service

Cheddi B. Jagan, 78, the firebrand who led Guyana to independence and beyond, died Thursday in Washington, where he had been hospitalized after a heart attack.

A dentist by training, Mr. Jagan rode the aspirations of Guyana's downtrodden Indian majority to power. But he was also a Marxist-Leninist of the pro-Soviet mold, which led to clashes with Winston Churchill and John F. Kennedy.

Those confrontations ended badly, with Mr. Jagan in 1964 losing the post of prime minister to which he had been elected in 1961. But his popularity in his small country never faded, and he returned to power in 1992, nearly three decades after Washington engineered his ouster, with a softened outlook of his own and the support of the United States.

Samuel Hinds, 53, was sworn in to succeed Mr. Jagan.

BOOKS

CAFE EUROPA: Life After Communism

By Slavenka Drakulic. 213 pages. $21. W.W. Norton

Reviewed by
Michiko Kakutani

IT is a very simple image: a nation of bad teeth. Upon returning home to Croatia, after spending some time in America, the Croatian journalist Slavenka Drakulic noticed something she had never noticed before: She looked into the mouths of friends, relatives, acquaintances and neighbors, and she noticed that they all had terrible teeth.

In this image, Drakulic sees a metaphor for what is wrong with so much of post-Communist Eastern Europe, a metaphor for the failure of people to develop a sense of individual responsibility and seize control of their lives, a failure she believes may ultimately affect these countries' ability to become true working democracies with involved citizens.

"Bad teeth are the result of bad dentists and bad food," she writes, "but also of a specific culture of thinking, of not seeing yourself as an individual. What we need here is a revolution of self-perception. Not only will that not come automatically with the new political changes, but I am afraid that it will also take longer than any political or economic developments. We need to accept our responsibilities towards both others and ourselves."

"Cafe Europa," Drakulic's insightful new collection of essays, is studded with such everyday observations that open out, like windows, to reveal wide-angled historical vistas. The difficulty of buying a new vacuum cleaner becomes a lesson in the absurdities of Croatian bureaucracy and the resignation evinced by Croatian citizens.

And a question about a recipe for Bosnian *sarma* (minced meat and seasoning wrapped in sauerkraut) turns into a lament for the shattered dream of pluralism, destroyed by the war.

Some of the essays in "Cafe Europa" — like a piece on Drakulic's father — are acutely personal; others — like a report on what would have been the 75th birthday of the late Romanian dictator Nicolae Ceausescu — are more reportorial. In all of them, however, the voice is conversational; the tone, impassioned; the point of view, unabashedly subjective. The book not only helps to illuminate the political and social problems facing much of Eastern Europe, but also sheds new light on the daily life of its residents, their emotional habits, fears and dreams.

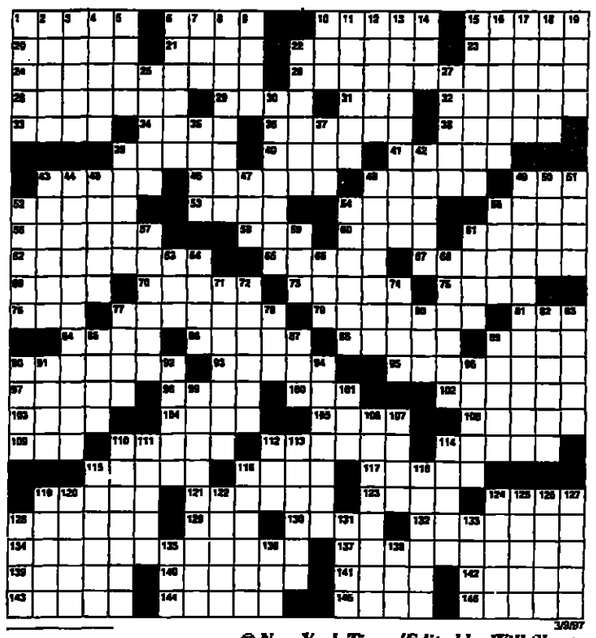
A central theme — which will be familiar to readers of Drakulic's earlier books, "How We Survived Communism and Even Laughed" and "Balkan Express" — concerns the aftermath of communism and the challenges of making the transition to democracy. For Drakulic, it means learning to say "I" instead of "we," to embrace the idea of individual responsibility, be it demanding higher standards of cleanliness in public toilets or protesting arbitrary government decisions. It also means learning not to live in an eternal present: learning to save money instead of immediately spending it, learning to build consumer trust instead of trying to make a quick buck.

"It is a paradox," she writes, "that what people today miss the most is the security they have lost with the fall of communism: jobs, pensions, social and medical security, maternity leave, sick leave. As a result, you don't invest, build or save in the name of the future. You just grab what there is today, because it might not be there tomorrow."

Nostalgia for the security of the old Communist days, Drakulic goes on, also helps explain why some Romanians actually mourn the death of Ceausescu and why royalists in Serbia, Bulgaria, Romania and Albania have "appeared in growing numbers and with visible aspirations." "One needs to understand," she writes, "that we, the people from the Communist world, are still children in the political sense. We need a daddy, somebody who will look after us, so that we don't have to look after ourselves."

Michiko Kakutani is on the staff of The New York Times.

MONTHLY MEETINGS, By June Boggs



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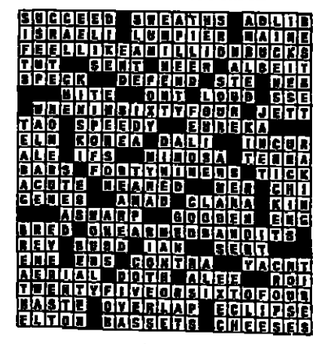
Solution to Puzzle of March 1-2



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China Warns on Interference

'No Changes' in Foreign Policy in Post-Deng Era

Compiled by Our Staff From Dispatches

BEIJING — Foreign Minister Qian Qichen said Friday there would be no changes in Chinese foreign policy in the post-Deng Xiaoping era, but he sternly warned countries against meddling in the affairs of Hong Kong and Taiwan.

Speaking at a press conference broadcast live on state-run television, Mr. Qian stressed that China would continue to adhere to the foreign policies built up during Mr. Deng's leadership, which pioneered the country's opening to the outside world.

"There will be no new changes," he said.

Mr. Deng died Feb. 19 at the age of 92.

On another issue, Mr. Qian was questioned about the North Korean defector Hwang Jang Yop, who has been holed up in the South Korean Consulate in Beijing for the past four weeks. Mr. Qian indicated that Pyongyang's interests had to be a consideration in solving the impasse.

"China will follow international law" to solve the problem, "but at the same time we will take into consideration the need to maintain peace and stability on the Korean Peninsula," Mr. Qian said.

"Right now, we hope all parties concerned will adopt a cool-headed attitude so as to solve this problem as soon as possible."

But Mr. Qian warned the international community against interfering in Hong Kong and Taiwan, which are both viewed as internal issues.

The foreign minister said it was understandable for nations with long-standing commercial interests in Hong Kong to be preoccupied with the future of the Hong Kong Special Administrative Region, or SAR, as the territory will be known after the July 1 handover.

"But if some countries think they have the right to interfere in the affairs of the Hong Kong SAR, then they are going too far," Mr. Qian said. "No one has that right."

He also said that Britain had overreacted in an "unreasonable and unnecessary" manner to Beijing's establishment of a provisional legislature to replace the Hong Kong Legislative Council after the handover.

Mr. Qian, who is also deputy prime minister, issued a similar warning to foreign countries over rival Taiwan, with a special caveat for the United States

"There is no possibility for China and the U.S. to enter into conflicts with each other, unless the U.S. harbors a desire to infringe upon China's sovereignty and its territorial integrity," he told reporters covering the annual session of the National People's Congress.

Beijing has viewed Taiwan as a renegade province since Nationalist troops fled to the island in 1949 after losing a civil war to the Communists.

Ruling out any early resumption of talks between the mainland and Taiwan, Mr. Qian said Taipei's refusal to adhere to the principle of "one China" had made dialogue impossible.

"The basis for such negotiations is the recognition that there is only one China in the world," he said.

"Unfortunately, up to now, it has seemed that the Taiwan authorities are reluctant to talk about 'one China,' do not dare to do so, and are afraid to do so.

"Under these circumstances, how can direct negotiations between the two sides proceed?" he asked.

Mr. Qian also warned Taiwan not to fan separatist sentiment during a visit this month by Tibet's spiritual leader, the Dalai Lama.

"The Dalai Lama is a political figure in a lengthy exile and is engaged in activities aimed at splitting the motherland," Mr. Qian said. "His visit to Taiwan will inevitably have political purposes."

The Dalai Lama, who won the 1989 Nobel Peace Prize for his nonviolent campaign for autonomy for Tibet, will make a six-day visit to Taiwan beginning March 22. *(AFP, Reuters)*

Robyn Beck/Agence France-Presse

Mr. Qian in Beijing on Friday

BRIEFLY

U.S. and Pyongyang Talk About Missing Servicemen

NEW YORK — In the highest level meeting in two years, U.S. and North Korean officials opened talks Friday on accounting for missing servicemen, dealing with missile proliferation and opening offices in one another's countries.

The talks included the same U.S. delegation that met with North and South Korean diplomats on Wednesday on possible peace talks for the divided Korean Peninsula.

Those three-way talks were the first time in 25 years that diplomats from North and South Korea had discussed peace with each other, leading to optimism among American and South Korean officials that an agreement on peace talks might come soon.

On Friday, North Korea and the United States, which frequently meet for lower, working-level talks at the United Nations, met at the U.S. mission in New York on the deputy-ministerial level. The Americans are led by a deputy assistant secretary of state for East Asian Affairs, Charles Kartman, while North Korea was represented by Deputy Foreign Minister Kim Kye Gwan. *(AP)*

Indonesia Approves Ballot

JAKARTA — Indonesia approved on Friday the final list of candidates for the May general elections.

The list, which will be publicized ahead of the May 29 voting, excludes Megawati Sukarnoputri, the ousted minority party leader, and her supporters and includes three of President Suharto's children as candidates for the ruling Golkar party.

Mr. Suharto's eldest daughter, Siti Hardijanti Rukmana, head of the construction group Citra Lamtoro Gung, is also deputy chairman of the party, and a son, Bambang Trihatmodjo, chief of the Bimantara group, is treasurer.

Mr. Suharto's youngest son, Hutomo Mandala Putra, head of the Humpus group, is also a Golkar candidate. *(Reuters)*

Colombian Gunmen Kill 6

BOGOTA — At least six people were killed by suspected extreme-right gunmen, who dragged them out of their homes in a banana-growing region of northern Colombia, the police said Friday.

The victims, a woman and five men, were pulled into fields outside the town of Fundacion, in Magdalena Province, and killed by masked gunmen late Thursday, the police said.

There was no immediate claim of responsibility, but the police said the killings appeared similar to others committed in the region by far-right death squads. At least 25 people have been killed so far this year. *(Reuters)*

India-Pakistan Talks Hailed

NEW DELHI— The United States on Friday welcomed the planned resumption of peace talks between India and Pakistan, and urged both not to obstruct a treaty that would ban the production of nuclear bomb-making material. *(Reuters)*

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Israel to Cede More of West Bank

Palestinians Scoff at Size of Transfer, but U.S. Applauds

By Serge Schmemann
New York Times Service

JERUSALEM — Palestinian leaders assailed as too little an Israeli government decision early Friday to withdraw further from the West Bank, but the United States expressed satisfaction over what it described as a "demonstration of Israel's commitment to the peace process."

After a seven-hour debate, the cabinet agreed, 10 to 7, to transfer an additional 9.1 percent of the West Bank to partial or total Palestinian control.

The action was the first of three further transfers mandated by the interim Israeli-Palestinian agreements which were signed in September 1993. In the Hebron agreements reached in January, the Palestinians exacted a further pledge from Israel to make the first redeployment by Friday.

The announcement of the decision was made at 3 A.M., too late for Israeli newspapers. That, plus the onset of the Jewish Sabbath at sunset, precluded any Israeli reaction until at least Sunday — a fact some commentators thought was not chance.

The vote reflected the divisions within Prime Minister Benjamin Netanyahu's ruling coalition over any further concessions to the Palestinians. The debate was said to have been as fiery as all cabinet meetings tend to be when the issue is the Palestinian peace.

The Palestinian reaction was predictably unfavorable, since Palestinian leaders have not publicly accepted that Israel alone decides how much land to cede in these withdrawals, and since they have declared that each withdrawal should amount to one-third of the occupied territories.

"This is a big deceit operation," Yasser Arafat, the Palestinian leader, told reporters on his return from a tour of the United States. "It came from one party, without consultation with us."

Privately, however, both the Palestinians and American mediators had accepted that the phrasing of the Oslo accords left the decision on how much land to cede exclusively to Israel. The wrangling had been over how much, with the Americans urging Mr. Netanyahu to transfer at least 10 percent, on the premise that a double-digit figure would serve as a credible demonstration of Israel's commitment.

American officials accepted that the 9.1 percent probably represented the most that Mr. Netanyahu was able to wrest from his cabinet, and so declared it a "positive first step." The officials said Secretary of State Madeleine Albright telephoned Mr. Netanyahu to express her satisfaction, adding that the United States hoped he would do more in the second and third phase.

The government did not immediately make public maps detailing the transfer. Officials said the transfers included a large tract around Jenin in the northern West Bank; an area north of Hebron; and a smaller area near Bethlehem.

In the complex geography of the peace agreements, the decision actually entailed several transfers. Now, 2.8 percent of the land is controlled fully by the Palestinian Authority and is known as Area A. In 25 percent of the West Bank, Area B, the Palestinians have full civil authority, but security is handled by both Israel and the Palestinian Authority. The rest, Area C, is under exclusive Israeli control. The effect of the transfers is that the land in Area A will grow to 10.02 percent of the West Bank.

Mr. Netanyahu's aides privately acknowledged that two actions taken by Mr. Netanyahu in recent weeks — the decision to build a new Jewish neighborhood, Har Homa, in East Jerusalem, and warnings sent to four Palestinian offices in Jerusalem that they were operating in violation of the Oslo accords and must close — were efforts to defuse opposition among right-wingers in his cabinet before Friday's decision.

The cabinet vote generally followed the breakdown of the ministers on the Hebron agreement in January, with one notable exception. Trade and Industry Minister Natan Sharansky, who until now had supported Mr. Netanyahu on all critical votes, this time voted against.

Mr. Sharansky was not immediately available for comment, but officials close to him said his vote represented a political break with Mr. Netanyahu over an investigation involving the appointment of an attorney-general. Mr. Sharansky is known to be angry that the cabinet was not consulted before the appointment.

Vincent Amalvy/Agence France-Presse

Palestinians protesting Friday at an East Jerusalem site where Israel has announced plans to build a Jewish neighborhood, Har Homa. The protesters would like to make East Jerusalem the capital of a Palestinian state.

Gingrich to Lead Group on China Visit

The Associated Press

WASHINGTON — Newt Gingrich, the speaker of the House, is planning a trip to China at the end of this month and may also visit other countries in Asia, Republican congressional officials said Friday.

The Georgia Republican will take with him a delegation of House members, although the makeup of the group has not yet been determined, a congressional leadership aide said.

The trip, set for the two-week congressional Easter recess, comes as Mr. Gingrich seeks to regain his footing after being reprimanded by the House in January for ethical misdeeds. Since then, he has largely kept out of the public eye.

Mr. Gingrich and Bob Dole, then the Senate majority leader, helped President Bill Clinton round up votes to extend China's most-favored-nation trade status in 1995 and 1996. The administration is counting on the Republican leadership again this year.

Israeli Legislator Insults U.S. Ambassador

Compiled by Our Staff From Dispatches

JERUSALEM — An Israeli legislator hurled anti-Semitic insults at the United States ambassador and challenged the diplomat to a fistfight, the U.S. Embassy said Friday.

The legislator, Rehavam Zeevi of the extreme nationalist Moledet party, later apologized to the ambassador, Martin Indyk, a spokesman for the U.S. Embassy in Tel Aviv said.

Israel's Foreign Ministry said Friday it regretted "the offensive statements" made to Mr. Indyk.

The incident occurred Thursday at a memorial ceremony for former Prime Minister Yitzhak Rabin, the newspaper Yedioth Ahronoth reported.

At the ceremony were both Mr. Indyk and Mr. Zeevi, who last month in Parliament had called the ambassador *Yehudon* — a Hebrew slur translated as "Jew boy" or "Yid" — apparently in connection with Mr. Indyk's active role in the Israeli-Palestinian peace negotiations. Mr. Zeevi was formally rebuked at the time.

Mr. Zeevi, known for his provocative style, is opposed to making any concessions to the Palestinians.

When Mr. Indyk approached after the ceremony, Mr. Zeevi remained seated, Yedioth Ahronoth said.

Mr. Indyk then told Mr. Zeevi: "The last time somebody called me a Jew boy I was 15 years old and I punched him in the face."

Mr. Zeevi responded: "Try me. Let's see if you mean it. You are a Jew boy."

Mr. Indyk: "You are a disgrace to your people."

Mr. Zeevi: "You are a son of a bitch."

Mr. Indyk stood frozen, and did not respond, the newspaper said.

However, since Mr. Zeevi apologized, "it is the ambassador's view that the matter is closed," Mr. Indyk's spokesman, Richard Scorza, said Friday. *(AP, Reuters)*

'Black Widow' Guilty Of Murder in Austria

Compiled by Our Staff From Dispatches

VIENNA — A 66-year-old woman dubbed Austria's "black widow" was found guilty Friday of murdering an elderly male companion to inherit his savings, and sentenced to life in prison, ending one of the most notorious trials in the country's history.

The woman, Elfriede Blauensteiner, was suspected of several other murders, but was tried only for the November 1995 death of 77-year-old Alois Pichler.

Mrs. Blauensteiner captivated the Austrian news media. She showed up for the first day of the trial in February clutching a small cross.

On Thursday, the last day of the trial in Krems, 50 kilometers (30 miles) west of Vienna, she continued to proclaim her innocence and stuck her fingers in her ears during the prosecutor's closing arguments.

Mrs. Blauensteiner remained composed Friday, muttering and looking at her watch impatiently as the verdict was read out.

Asked if she understood the sentence, she said with defiance: "I understand perfectly".

The eight-person jury said Mrs. Blauensteiner's "pure greed" justified the heavy sentence, noting that her "malicious actions did not give the victim any chance to defend himself."

Her former lawyer, Harald Schmidt, was sentenced to seven years in jail for being an accomplice to grievous bodily harm and falsifying Mr. Pichler's will.

Although Mrs. Blauensteiner was charged with only one murder, the police are still investigating her in connection with other deaths.

She is suspected of having placed advertisements in newspapers to meet rich, elderly men, poisoning her victims and then gambling away the money she was left in their wills.

The state prosecutor, *Friedrich Kutschera*, accused Mrs. Blauensteiner of giving Mr. Pichler at least 70 doses of a drug known locally as euglucon in his milk.

A day before Mr. Pichler's death, Mr. Kutschera charged, Mrs. Blauensteiner and her former lawyer gave Mr. Pichler 20 tranquilizers and put him in a cold bath and shower so that he would die of heart failure.

Mr. Schmidt was also accused of helping Mrs. Blauensteiner put Mr. Pilcher in the bathtub and falsifying his will so that it appeared she inherited about 1 million schillings (then $100,000). *(AP, Reuters)*

Jury Limits USAir Liability In 1994 Crash

The Associated Press

COLUMBIA, South Carolina — A federal court jury on found USAir negligent Friday in the July 1994 crash of Flight 1016 that killed 37 people.

But jurors said USAir's negligence in the crash, near Charlotte, North Carolina, was not intentional, which could limit the ability of survivors and the families of those who died to collect punitive damages.

USAir, since renamed US Airways, has blamed air traffic controllers, saying the flight crew did not get proper weather information before flying into a thunderstorm.

Although the jury said USAir's negligence contributed to the crash, it ruled that the airline was not liable for claims of wrongful death or for the claims of those who survived.

That means the airline is liable only for actual damages and not for any punitive damages.

A separate proceeding on the damages was scheduled to begin Wednesday.

The plane crashed in an intense storm.

The National Transportation Safety Board said a strong downward wind, known as a microburst, slammed the DC-9 jet into the ground as it tried to land.

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Debt Relief Endangered

Last fall the world's richest countries agreed, in what seemed a historic decision, to reduce the stifling debt burdens of poor countries that are implementing economic reform. The first country to benefit, it was thought, would be Uganda, and the relief would begin as early as this year. Now this crucial initiative is in danger again, as the wealthy lender nations — led, unfortunately, by the United States — threaten another two years of delay.

No one disputes the need for debt relief. This year, for example, Uganda will have to spend about $9 for every man, woman and child on repayments to the World Bank, the International Monetary Fund and other lenders. That's about seven times what it will manage to spend on primary education — this in a country where one-third of all children don't attend school at all. In one recent year, a World Bank division lent poor countries $2.9 billion — and collected from those same countries $1.9 billion to service old loans. No nation can climb out of poverty while caught on that kind of debt merry-go-round.

The poor countries themselves are responsible for this dilemma. They — or, more often than not, their corrupt dictators — squandered aid instead of using it to promote development. The World Bank and the IMF are liable for continuing to shovel money out to such unworthy beneficiaries. But in a number of nations, now-democratic regimes are valiantly trying to break that pattern and implement free-market reforms, and it's such nations that last fall's plan was intended to benefit. Uganda is first among them because it has been following, for 11 years, an IMF-endorsed reform plan. It is an island of stability in an unstable region. It has promised to devote any debt relief savings to primary health and education — and, indeed, hundreds of thousands of children have signed up for school based on that expectation. Yet the United States now suggests delaying Uganda's relief until April 1999.

The U.S. proposal, which will be considered at multilateral meetings this coming week, is not based on meanspiritedness but on legitimate policy concerns. Even Uganda's reform efforts are far from complete, and the promise of debt relief, it's argued, could be used as leverage — by the West and, in domestic politics, by Uganda's own leaders — to keep the program on track and persuade Ugandans to accept unpopular reform measures. U.S. officials also hold out the possibility of a compromise that would offer partial relief during the next two years.

The risk is that if the West is seen to be moving the goalposts yet again, many developing nations will lose faith in its promises. Then, not only Uganda but many others could be undercut domestically, and the effort to maintain leverage would boomerang.

— THE WASHINGTON POST.

Get Off the Phone

Does it really make any difference if Vice President Al Gore used a phone in his White House office to hit people up for campaign contributions instead of a phone in an office across the street? The real-world answer has to be no. The calls would be as troublesome from any phone. The office in which Mr. Gore was sitting isn't what matters; it's the office he holds that matters. It was what he did, not where he was when he did it, that was wrong.

Here's the vice president of the United States, calling on behalf of the president for money. They want it urgently. They and you both know that you have it to give or he wouldn't have bothered in the first place. They and you also know that over time they have the power to bestow — or withhold — all manner of favors, not just minor personal favors but substantial favors to your business or firm. Of course, it matters what you happen to think of the social philosophy of the president and his party versus the social philosophy of the other side. You may give in part because you find the president an inspiring figure. But you give as well because, when you get a call like this, you say no at your peril. The peril is something both sides understand. It affects the entire transaction — and that's why such calls are wrong.

You can talk as politely as you please, they still border on shakedowns, just as do the similar calls that are made all the time by powerful members of Congress, committee chairmen and the like, which are equally wrong and for the same reason.

We know what the law says about soliciting funds from government property, and we also know how the lawyers are going to mince the law, or try to. The vice president's performance at his news conference the other day — the wriggling about how "my counsel advises me, let me repeat, that there is 'no controlling legal authority' that says that any of these activities violated any law" — gives you as big a taste of that as you could possibly want. But the location of the phone jack is its own kind of distraction. Likewise the question with regard to the $50,000 check that Hillary Clinton's chief of staff accepted in the White House in 1995: Is a check made out to the Democratic National Committee as distinct from a check made out to the Clinton-Gore campaign a political contribution within the meaning of the law? It's the same amount of money handed over for the same purpose either way.

The distraction is in the interest of the politicians on both sides. They don't want to talk about the real issue. The real issue is that they — both parties, the congressional as well as presidential candidates and their retinues, who live off the funds in question — have flicked aside even the few modest rules that now exist about what they can and can't raise and spend. These folks, so interested in law and order in other contexts, have basically trashed the frail protective structure that they themselves created in the past — were shamed into creating — with regard to campaign finance.

The president and his people say they needed the bucks because the other side was raising even more, as indeed it was. The Senate majority leader, speaking for the other side, says raising the money from those who happen to have it is "the American way." They're all on this particular take; that's what they don't want to talk about. The president says he wants campaign finance reform, having just himself provided an object lesson in the need for it. He urges reform, as do the Democrats on the Hill, secure in the knowledge that the Republicans will resist it. The Democrats complain about what the Republicans won't do, the Republicans complain about what the Democrats just did — and neither side does anything but this: keep on raising money in the most brazen possible fashion from people with an acute commercial interest in the policies pursued by those to whom they are giving the money. That is wrong no matter where you are when you make the importuning call.

— THE WASHINGTON POST.

East Timor's Future

Last October the Nobel Peace Prize went to two leaders of East Timor, where a small population has been valiantly resisting Indonesian colonization for more than two decades. The prize brought a brief flare of publicity to East Timor's just but long-neglected cause, and then — just as Indonesia's government hoped — world attention turned elsewhere. Recently, one of the Nobel laureates, Jose Ramos-Horta, came to Washington, hoping to put East Timor back on the international agenda.

Over the years, the United States has offered little assistance. Anxious to please a Cold War ally, U.S. officials looked the other way when Indonesia occupied East Timor in 1975 and when tens of thousands there died from what the Nobel committee listed as "starvation, epidemics, war and terror." President Bill Clinton, early in his term, seemed ready to reverse traditional U.S. policy. But then Mr. Clinton decided that trade mattered above all, and the plight of East Timor again receded from U.S. policy screens.

Mr. Ramos-Horta, a kind of unofficial foreign minister, for the first time secured a meeting with senior officials in the State Department. This is a positive, if small, step forward. It should be followed by more action. Mr. Ramos-Horta is asking only for a plebiscite so the East Timorese can decide their own future. It's a reasonable request.

— THE WASHINGTON POST.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Circ., (1) 41.43.92.10; Adv., (1) 41.43.92.12.
Internet address: http://www.iht.com E-Mail: iht@iht.com

Editor for Asia, Michael Richardson, 5 Canterbury Rd., Singapore 0511 Tel (65) 472-7768 Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188, Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/971250-0, Fax: +49 69/971250-30
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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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ISSN: 0294-8052.

In Germany, No Sign of the Dreadful Old Nation

By Richard Cohen

BERLIN — The biggest story here, bigger by far than much of what passes for news elsewhere, is that there is no story in Germany. Unemployment has reached the hold-your-breath mark of more than 12 percent and yet the country remains fairly placid. The last time Germany had this much unemployment was 1933 — the year Adolf Hitler came to power.

And yet, the extreme right remains weak, and violent Weimar-style street demonstrations are unknown. Maybe that's because the social safety net — unemployment insurance, etc. — has cushioned joblessness. Maybe, though, it's because Germany — like the ol' gray mare — ain't what she used to be. She seems to have had it with the far right.

Whatever the reason, Germany is muddling through its current difficulties without the episodic ugliness that occasionally mars France's claims to perfection — the occasional anti-Semitic outbursts of Jean-Marie Le Pen, for instance. That far-right politician recently said that Jews have "control" over President Jacques Chirac. How Le Pen and Le Farrakhan have so far avoided each other is beyond me.

Back in 1941, Henry R. Luce, the founder of Time magazine, pronounced this the "American century" and America "the most powerful and the most vital nation in the world." Who can argue? In some ways, the United States has dominated the 20th century. It was instrumental in the winning of two world wars and it also emerged triumphant in the Cold War.

For the time being, America is the world's only superpower — both militarily, which is the way the term is usually used, and culturally as well. From jeans to music, America is No. 1.

But in another, darker, sense, this has been the German century as well. Twice, this relatively small nation (about the size of Oregon) pitched Europe and much of the world into war. But the last one, World War II, although fought over an immense battlefield and costing the lives of many, many millions (almost 30 million in the former Soviet Union alone), is increasingly overshadowed in the West by the associated mass murder of Jews. The Holocaust has made this the German century.

Not far from where I write is the Wannsee Villa, where Nazi leaders gathered to plan the Final Solution. Also not far from here is the "Topography of Terror" exhibition, the recently excavated torture chambers of the Gestapo. Visit on a cold, dank night and you will not soon forget it. Just as there seems to be no way to connect Beethoven and Einstein with Hitler and Himmler, there seems to be no way to connect those places with what is happening today. The old nation seems to have utterly disappeared.

Is it hiding? No one seems to know, but even the Germans are willing to take no chances. A bunch of Hollywood stars signed an ad likening Germany's anti-Scientologist practices to the advent of the Nazi era. The ad was not only tasteless, it was wrong.

In fact, it is the near-universal determination of Germany to avoid a repeat of that history that has produced such paranoia about cults. Still, a country confident about itself would not take such measures — or, for that matter, continue to ban neo-Nazi literature. But Germany, in a stock metaphor, considers itself a political alcoholic. It dare not take even a sip.

Little by little, it has become harder and harder to demonize Germany and believe to the point of insistence that something uniquely dark and homicidal lurks in the German soul. Recent history suggests otherwise. What about Cambodia? What about Bosnia? What about Rwanda? What about the unimaginable horrors the old Soviet government inflicted on its own people?

Germans didn't run the gulag or empty the cities of Cambodia. They didn't induce famine in Ukraine nor were they the ones who ruthlessly applied the idiocy of Mao so that millions upon millions died. The ultimate lesson of the Holocaust is not that Germans are different from all other people but that given the right circumstances, we can all be "Germans."

The Cold War ended in 1989, and it seems as if it never happened. Not so with Germany and the Holocaust. Like a bloodstain, it is lasting. It keeps coming back in different modes — maybe a movie like "Schindler's List," maybe a personal saga like Madeleine Albright's hidden ancestry, maybe the dispute over the funds deposited by doomed Jews in Swiss banks. In the end, though, the Holocaust changed our view of ourselves. This is what people are capable of doing to people.

Can human nature change? Maybe, but we would be fools to count on it. Can a society change? The postwar experience of Germany suggests it can. There is no story in Germany today — and that, of course, is quite a story.

The Washington Post.

The Very Tricky Consequences of a NATO Deal With Russia

By Jim Hoagland

WASHINGTON — "We will know when Boris is back," a European ambassador told me in Moscow a few weeks ago as doubt lingered over President Boris Yeltsin's health and his future ability to rule. "He will fire a few people to let everybody know he is still in charge. He always does."

Recovery Day came on Thursday, when Mr. Yeltsin appeared before the Duma and promised a government shakeup, a new campaign against crime and corruption and a spirited fight against NATO expansion toward Russia's borders. News agencies reported that the Russian leader, who is 66 and had heart surgery last November and then pneumonia, looked surprisingly fit.

Mr. Yeltsin being fit enough to cut off heads in Moscow is good news for President Bill Clinton. The political amputations clear the way for the U.S.-Russian summit meeting in Helsinki scheduled for March 20-21. They suggest that it will be Good Boris who shows up in Helsinki, ready to strike a personal deal with his friend Bill, despite the anti-NATO rhetoric before the Duma.

Mr. Clinton has been surprised before by Bad Boris showing up instead and threatening renewal of the Cold War. That could happen again. But the visible signs of diplomacy point to the Russians seeking and accepting in Helsinki the outline of a package deal on European security, Russia's place in the Group of Seven leadership club of the world's industrial democracies and multilateral financial aid for Moscow.

"A healthy Yeltsin will grasp right away that he can't stop this NATO expansion and he might as well get something for it," a Russian political leader in the Yeltsin camp predicted privately a few weeks ago. "He and 'Beel' will bear hug, proclaim Helsinki a success and order their aides to work out the details."

The brightening prospects for Helsinki have in fact already changed the dynamic of the NATO expansion debate. The rapid movement by the Russians to position themselves for a grand bargain has weakened chances to delay or stretch out the admission of the first three candidates — the Czech Republic, Hungary and Poland — which is now likely to occur by mid-1999.

That is roughly the admission schedule that Mr. Clinton promised in a campaign speech in Detroit last autumn, without having consulted America's partners in the North Atlantic Treaty Organization or even letting them know he would make this diplomatic commitment for domestic political reasons. Many in European governments and in the Pentagon doubted the wisdom of pushing for a tight admission date.

But their hopes for a stretch-out strategy have grown weaker as the Russians have moved into detailed negotiations with NATO Secretary-General Javier Solana, Secretary of State Madeleine Albright and other allied officials that do not focus on timing of the first admissions.

The Russians, through Foreign Minister Yevgeni Primakov, have communicated instead their concern about a series of "red lines" that they say must not be crossed in NATO expansion:

There must be a moratorium of 10 years before any other Central European country can be considered for alliance membership. No former republic of the Soviet Union — including Ukraine and the Baltic states — can ever be considered for NATO membership. The Russians will not accept the presence of nuclear weapons or permanently stationed foreign forces on the soil of the new NATO member states. They will not agree to let NATO upgrade Polish airfields to handle nuclear-armed aircraft. And so on.

The listing of Russian conditions for agreement before the NATO summit meeting in Madrid in July, when final decisions on admission are to be made, creates an important new dynamic in consultations among Washington, Ottawa and the alliance's 14 European capitals.

The prospect of a deal has some allies worrying about how good a deal Mr. Clinton will strike with Mr. Yeltsin. Is the American leader ready, for example, to accept code language that the Russians will cite as meaning the Baltics will never get into NATO?

"Success" at Helsinki will in fact open the trickiest phase of the NATO expansion process, as Mr. Primakov, a crafty and determined bargainer, gets down to negotiating nuts-and-bolts issues that could drive wedges between America and Europe, and within the American consensus on NATO.

Mr. Clinton has for three years pursued on NATO expansion a policy of preempting his Republican opponents and conservative critics like Henry Kissinger and Zbigniew Brzezinski. Between Helsinki and Madrid he must strike a deal with the Russians that saves political face for Mr. Yeltsin, satisfies Europe and withstands predictable denunciations from the right that he has given away too much.

At Helsinki, Bill Clinton will face the dangers of having his geopolitical prayers on NATO answered.

The Washington Post.

For Peace, the Palestinians Must Have a Place in Jerusalem

By Anthony Lewis

BOSTON — When Yasser Arafat came to The New York Times for a discussion the other day, he spoke respectfully of Prime Minister Benjamin Netanyahu of Israel. "He is my partner," President Arafat said. "He's a nice man."

But then he was asked whether he had had any advance warning of Mr. Netanyahu's decision to build thousands of homes for Jews on a site in East Jerusalem. "I'm sorry to say, no," Mr. Arafat replied.

When Yitzhak Rabin and Shimon Peres were in office, he said, he had a hot line to them — and back channels for communication. Those links were gone.

Mr. Arafat's comments, mildly phrased though they were, pointed to a real danger. For whatever political reasons of his own, Mr. Netanyahu ignored a basic requirement of the peace process: that Israel and the Palestinians consult before acting on any sensitive issue, avoiding surprises.

When the two men reached agreement in January on Hebron, it seemed Mr. Netanyahu had turned a corner in his relationship with the Palestinian leader. There was talk of trust and partnership.

That notion was shattered by Mr. Netanyahu's sudden decision to proceed with a huge Jewish settlement in East Jerusalem. It was the opposite of mutuality and consultation: an attempt to present the Palestinians and the world with a fait accompli on the most sensitive of issues in the peace process, Jerusalem.

An Israeli official, David Peleg, made an extraordinarily obtuse statement. He criticized the Palestinians for taking the settlement issue to the United Nations, saying that was "inconsistent with their commitment to settle all issues through negotiation." That after Israel had sprung this decision without notice, much less negotiation.

The settlement plan is especially menacing because of its physical implications. It would cut much of East Jerusalem and its nearly 200,000 Palestinian residents off from the West Bank. It would effectively foreclose the Palestinian claim to part of Jerusalem: a claim that is supposed to be the subject of negotiation in final-status talks beginning later this month.

If Mr. Netanyahu understood what he was doing, then the logical conclusion to be drawn is that he does not after all want an Israeli-Palestinian peace. For unless Israel accepts some form of official Palestinian presence in Jerusalem, there can be no peace.

That is a strong statement, but I do not think anyone familiar with Palestinian feelings will question it. Just as history has made Jerusalem a powerful symbol for Jews, so is it an essential part of the Palestinian longing for a homeland.

If Yasser Arafat agreed to a final peace that excluded Palestinians from a place in Jerusalem, I think that peace would not survive.

Mr. Arafat's policy of nonviolence and compromise with Israel would be in the greatest jeopardy. So would his own leadership.

All that is so plain that one wonders what the Israeli prime minister can be thinking. I find it hard to believe that Benjamin Netanyahu would knowingly jeopardize the great prize of peace with Israel's most intimate neighbors.

Jerusalem is not a city of peace, as it is often called, but one of bloody conflict. But I do not believe that Jerusalem is an insoluble issue.

Responsible Israelis and Palestinians have charted ways to deal with Jerusalem in a final peace.

A solution has to begin with an understanding of what is meant, geographically, by "Jerusalem." After the 1967 war Israel extended the municipal boundaries to a large area beyond the city. Many Israelis do not view Greater Jerusalem as nonnegotiable. In a poll of 1,530 Israeli Jews, published recently, 45 percent said they would be prepared to consider a proposal to "transfer to Palestinian sovereignty" areas previously in the West Bank that have been incorporated into Jerusalem.

Mr. Arafat indicated the other day that he might be content with a modest place in the city. He gave the example of Rome as a city with two sovereignties in it, Italy and Vatican City. Which one of you would be the Vatican? he was asked. He answered: "I don't care."

The New York Times.

America Is Failing the Drug Test

By Stephen S. Rosenfeld

WASHINGTON — Regarding the jagged exchanges with Mexico and Colombia over their alleged role in drug trafficking, many of us in America believe that it is worth any strain in our international relations to protect our population from a menace arguably more sinister than war. This is the current that inclines impatient legislators to undercut the essential cooperation with Mexico by reversing President Bill Clinton's certification of that country as a reliable anti-drug partner.

Not only that. Many Americans are also prepared to overlook the sobering reality that our national drug problem may inflict even greater costs on some of the more vulnerable Latin societies — in wrecked lives, distorted economies and corrupted institutions — than it does on our own children, cities and civil prospects. At the end of the day, after all, we're still democratic and rich.

Finally, many Americans wonder whether we could pass a Latin test for reducing drug demand, if one were imposed, any better than Latins pass our very real test for reducing supply. Even so, we conclude that a little hypocrisy is a small price to pay for doing something effective about drugs.

But to mess up our foreign policy, damage and punish our friends, come off as a hypocrite and then to cause these losses without cutting back all that much on the flow of drugs to American consumers: that seems to be where we are now. It is an intolerable place to be.

Supply and demand are the poles of a nagging and seemingly interminable debate over where to place the urgency of defense against the drug plague. It is, in its daily public aspect, a technical debate over means: What works? What can be done? But it is also a political and ideological debate over the responsibility for our drug problem. Some think we are being poisoned by foreigners and would first fight the suppliers. Others think our drug problem arises from flaws and fissures in our own society, and they would go after demand. Taking the best from both schools does not come easily.

This year's version of the drug debate, however, has seemed a bit different. From the White House come signs of readiness to supplement the traditional emphasis on reducing supply with a sharper edge of attack on demand, especially among the young.

Restricting drugs at their foreign sources, or interdiction, has long been the thrust of a counterdrug strategy employing military means, law enforcement and crop eradication and substitution. There are some statistical successes to report in drug seizures, convictions and the like. But the salient measures of price, potency and availability of cocaine and heroin on the street provide a more mixed picture. Official sources report cocaine production (along with consumption) is down but heroin is easily available.

The main lines of an alternative, more demand-oriented strategy are currently on fresh display by an experts' panel organized by the Council on Foreign Relations and chaired by Mathea Falco, the Carter State Department drug-policy chief.

You do not have to embrace the whole Falco report to accept that more attention could profitably be paid to reducing demand through prevention, education, treatment and the sort of close-to-home law enforcement that seems to have the biggest payoff.

Recent research, the report says, suggests that reducing demand is more cost-effective than trying to reduce foreign supplies: "Specifically, $34 million invested in treatment reduces cocaine use as much as an expenditure of $783 million for source-country programs or $366 million for interdiction, according to a 1994 Rand Corporation study."

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Royal Interview

PARIS — Commenting on the announcement that President Felix Faure will have an interview with Queen Victoria on her forthcoming arrival in France, the *Figaro* says: "Perhaps many people are of our opinion that it is not indispensable for a French *chef d'Etat* to so frequently board all the Royal or Imperial trains that traverse the territory of the Republic. A quarter of an hour's visit to the Royal carriage at Noisy-le-Sec will add nothing to the prestige of the functionary who personifies the French nation."

1922: Rise in Suicides

NEW YORK — An increase in suicides all over the United States is shown in mortality reports just published. Bankers, of whom 93 took their lives, head the list; of these 37 were bank presidents. The total number of suicides reported is 12,000, but it is expected that full reports will swell this to 20,000. The great crime wave of 1921 included what has been called the epidemic of wife murder and suicide. Most of the suicides were without funds, but there were sixty-seven millionaires.

1947: Italian Market

ROME — Republican Presidential candidate Harold Stassen made a thorough inspection today of one of the biggest black markets in the world — the 600-yard Square Piazza Vittorio of Rome. Mr. Stassen walked through the miscellaneous stalls, examining second-hand shoes, clothing, white bread whose price is eight times the legal cost, and everything else from condensed milk stolen from the UN Relief and Rehabilitation Administration to the only Rome market for automobile parts.

Yeltsin Elevates Chubais To Invigorate Economy

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin named Anatoli Chubais, a liberal reformer, as first deputy prime minister on Friday, shifting the ginger-haired, lanky 41-year-old from his Kremlin staff to a key position in running Russia's day-to-day economic and government affairs.

The appointment puts Mr. Chubais directly under Prime Minister Viktor Chernomyrdin, returning him to a post he held until early 1996.

The announcement was seen as another sign of Mr. Yeltsin's attempt to reinvigorate economic reform after months of drift and lethargy while he recovered from heart surgery and pneumonia.

Mr. Yeltsin made no comment on the appointment, which was announced in a terse statement from his press service saying that Mr. Chubais had also been relieved of his current post as presidential chief of staff. Mr. Chubais is expected to hold a dominant spot in the government, and several other Chernomyrdin deputies are expected to be fired as part of a broader government shake-up.

Mr. Yeltsin harshly criticized the performance of Mr. Chernomyrdin's government in his annual address before Parliament on Thursday, saying it was responsible for growing economic disorder.

The Chubais appointment was announced Friday night after many politicians had left Moscow for a long holiday weekend, perhaps to deflect criticism of Mr. Chubais, a favorite target of nationalists and Communists. But some wasted no time in blasting the decision.

Gennadi Zyuganov, leader of the Communist Party, the largest faction in the lower house of Parliament, said the appointment was "a mockery of common sense and of all citizens impoverished by privatization."

Mr. Chubais headed the massive privatization program in the early years of Mr. Yeltsin's reform program. It was the largest transfer of state property to private hands in history, and while it rapidly shifted huge factories and enterprises out of the state's control as the new market economy was getting started, many Russians saw it as a giveaway of the national riches to a despised, elite few.

Ever since, Mr. Chubais has been deeply unpopular. Gennadi Seleznov, the speaker of the lower house, said Mr. Chubais had "deceived millions of people" with his promise — never fulfilled — that privatization vouchers that every Russian received would eventually be worth enough to purchase a new car.

Despite the criticism, however, Mr. Chubais has also proven himself a survivor, remaining in high government positions for all but a few months since the collapse of the Soviet Union. He is widely viewed as the direct opposite of the Soviet apparatchik — cool and analytical, teetotaling and ruthless. He was ridiculed on the pages of Moscow's most popular newspaper last year because he brought a laptop computer to Kremlin meetings.

Mr. Chubais had in recent days held talks with another reformist economist, Gregori Yavlinsky, who heads the centrist Yabloko bloc in Parliament, about some of his party leaders joining the government. The Yabloko group is similar to West European social democrats, and their agreement to join the government would bolster Mr. Chubais, who has been affiliated with the progressive Russia's Democratic Choice, the party of former Prime Minister Yegor Gaidar.

But Mr. Yavlinsky announced Friday that the party had refused. He said the group was being invited to carry out "the program that has led us into the current blind alley" and "such an approach is unacceptable to us."

The Associated Press

Russia's president, Boris Yeltsin, kissing the hand of Natalya Salnikova, a journalist with RIA-Novisti, after he presented her with a bouquet of flowers at the Kremlin on Friday, International Women's Day.

Zaire Soldiers In the Capital Bar Pro-Rebel Demonstration

Reuters

KINSHASA, Zaire — Soldiers broke up a bid Friday by Zaire's main opposition to march in Kinshasa in support of talks with rebels who control 20 percent of the country, but party militants vowed try again Saturday.

Soldiers from the Civil Guard patrolled flashpoints in the city after dispersing opposition militants trying to gather at the central train station in the city center to march in defiance of a government ban of all demonstrations.

Jean-Claude Mabale, an activist of the radical Union for Democracy and Social Progress, whistled a small crowd to attention, shouting support for Laurent Kabila, the rebel leader, even though some 30 policemen stood nearby.

Mr. Mabale, bedecked with party flag and T-shirt, shouted: "Hello Kabila! You have taken Tingi-Tingi! You are taking Kisangani! We are waiting for you in Kinshasa!"

Witnesses said the party secretary-general, Adrien Phongo, was beaten and arrested by soldiers from the Civil Guard.

Laurent Mbayo, a senior adviser of the party leader, Wa Malumba Etienne Tshisekedi, said the march was organized to demand tripartite negotiations between Mr. Tshisekedi, Mr. Kabila and ailing President Mobutu Sese Seko.

Militants in the working class Matonge district said they would march Saturday to demand the resignation of Prime Minister Kengo wa Dondo and of Marshal Mobutu.

■ Rebels at Gates of Kisangani

In the east of Zaire, four columns of Zairian rebels are within a few kilometers of the strategic river town of Kisangani, but are encountering stiff resistance at the airport, The Associated Press reported Friday from Kinshasa, quoting a rebel spokesman.

"We're advancing in four columns, we're moving closer and closer, but we're not quite there yet because there is resistance around the airport," Nyembwe Kazadi said by telephone from Dar es Salaam, Tanzania.

"We're not strolling into town — the way we have in other places — because this is their last stronghold, they're putting in everything they have," he said.

U.S. Proposes Further Cuts In Weapons

By Michael R. Gordon
New York Times Service

MOSCOW — The United States has told the Kremlin that it is prepared to negotiate deeper cuts in long-range nuclear arms in a bid to ease Russian fears that the West seeks military advantage.

The American proposal could lay the basis for an agreement on the goals of future arms talks at the planned Helsinki summit meeting between President Bill Clinton and President Boris Yeltsin.

It is also intended to prod Russia to ratify the second Strategic Arms Reduction Talks treaty. Signed in 1993, START-2 has languished in the Russian Parliament.

"We are trying to achieve guidelines for START-3," an American official said, referring to a future treaty mandating additional cuts in long-range arms. "It would make clear that we are prepared to go to lower levels and, thus, obviate the Russian concern that START-2 is the end of the road."

The American proposal envisions reductions to a level of 2,000 to 2,500 warheads for each side. START-2 required each side to slash its warheads to a level of 3,000 to 3,500 by 2003. Russia and the United States had more than 10,000 warheads in the late 1980s, when the accord was signed.

Guidelines for a future arms accord were discussed here in Moscow on Thursday by Deputy Secretary of State Strobe Talbott and senior Russian officials. Russia's foreign minister, Yevgeni Primakov, plans to visit Washington next week for further talks.

American officials would like to announce negotiating guidelines spelling out the main provisions of a future accord at the Helsinki summit meeting. But the talks have been complicated by related disputes over the testing of anti-missile systems and NATO expansion. Timing has also been an issue because the United States says a START-3 treaty must be preceded by Russian ratification of START-2.

When it was signed, the START-2 agreement was hailed as the cornerstone of a new American-Russian relationship.

But Communist and nationalist members of the Parliament, who see nuclear weapons as a last vestige of their country's superpower status, assert that the treaty took advantage of Russia during a period of weakness. The Pentagon's plans to test limited anti-missile defenses have also been denounced here as an effort to gain strategic superiority.

Still another reason for the opposition has to do with the terms of the agreement itself. Parliament members complain that Russia cannot keep pace with the Americans under the treaty without a costly restructuring of its forces.

Specifically, they argue, staying even with the Americans under the terms of the accord would require building hundreds of new single-warhead land-based missiles at the cost of tens of billions of dollars. Building missiles with multiple warheads would be a more cost-effective way to maintain parity, but that is banned by the START-2 treaty.

In addition, Russia's bomber force, in keeping with the decline in the Russian military overall, is in poor shape.

The U.S. proposal on START-3 tries to meet the Russian concerns by committing Washington to negotiate further cuts. The lower level of forces envisioned by START-3 would let Russia maintain a general parity in nuclear arms with Washington at far less cost.

After Drug Vote, Mexico Tells U.S. Not to Meddle

The Associated Press

MEXICO CITY — President Ernesto Zedillo warned in comments published Friday that he would not tolerate meddling in Mexico's internal affairs as a result of Washington's feud over certification of his drug war.

Other Mexicans also bristled at the vote Thursday by a U.S. congressional committee that rebuked the Clinton administration's recertification of Mr. Zedillo's anti-narcotics program.

Mr. Zedillo described the squabble between the U.S. executive and legislative branches as an "internal affair that can have consequences for the dignity and sovereignty of Mexicans." While stressing that Mexico intended to continue cooperating with the United States, he promised that his government would act forcefully "to defend the dignity and sovereignty" of the nation.

"Mexico, as with other important problems, has acted without hesitation to take up the war on drugs," he said in comments published on the front pages of several Mexican newspapers.

"We have established very clear foundations for cooperation with the United States and other countries, grounded as always on the principle of respect for our sovereignty."

Mr. Zedillo made the comments Thursday while meeting in Cancun with South and Central American officials to discuss the fight against illegal drug production and firearms trafficking.

On Thursday, the House International Relations Committee rebuked both Mr. Clinton and Mexico by giving bipartisan support to a measure on overturning Mr. Clinton's decision. The largely symbolic resolution is scheduled for a vote by the full House next week.

■ Extradition Seen as Test Case

The Clinton administration has singled out a drug case in Mexico as a test of whether Mexican officials will achieve a new level of cooperation, a promise made in negotiations preceding the president's decision last week to certify that Mexico is fully cooperating in the war on drugs, the Los Angeles Times reported from Washington.

Administration officials are pushing for the extradition of Oscar Malherbe de Leon, the alleged leader of the notorious Gulf drug cartel, who was arrested recently in Mexico and is under indictment in Houston, said Robert Gelbard, an assistant secretary of state for international narcotics and law enforcement affairs.

MOB: *Crooks With Subs*

Continued from Page 1

Almeida, a car dealer and the owner of a boat storage and repair company, and that as early as 1992 the two were buying Russian helicopters for Colombian drug traffickers. They said Mr. Almeida then introduced Mr. Fainberg to Mr. Yester, who has been sought on outstanding warrants for cocaine-trafficking charges since 1991 and is the only one among the three to remain a fugitive.

Mr. Fainberg's lawyer said that in his client's line of work, the adult entertainment business, it is not unusual for people to call in offering all sorts of unsavory propositions. Mr. Fainberg's worst crime, he said, was having "too big of a mouth," always wanting to be in the middle of everything and making himself out to be more important than he really was.

"He's a puppy dog," said the lawyer, Louis Terminello, who denied that his client had anything to do with drugs or organized crime.

The New York Times

U.S. authorities have accused Juan Almeida, Nelson Yester and Ludwig Fainberg, from left, of smuggling drugs and of seeking to buy a Russian submarine, similar to the one at right, to transport cocaine to North America.

Mr. Almeida's lawyer, Steven Chaykin, called the charges "outrageous" and "the product of overzealousness on the part of the government."

Mr. Chaykin said Mr. Almeida sold "high-end exotic automobiles" and that after the collapse of the Soviet Union he pursued business in Russia, buying and selling "unique products," including Russian motorcycles, helicopters and submarines, but not for illegal purposes. Mr. Chaykin would not say who the customers were for such products.

But federal officials said that Mr. Fainberg, far from being a harmless braggart, was a typical member of the Russian criminal element that in recent years had spread to Miami and a handful of other cities from its American cradle in New York City. The Russian mobsters are eager for "every way to make a dishonest dollar," a drug-enforcement official said.

MAMMA: *Italy Is Horrified*

Continued from Page 1

carried out in Switzerland because the Italian medical body forbids surrogate motherhood in its professional code of conduct, although there is no legal ban on the practice.

Dr. Pagni said the fact that Dr. Bilotta had gone abroad did not absolve him and that he should face punishment in Italy. He also called for government legislation to prevent future cases.

La Stampa declared, "The whole concept of the family, of brothers and of twins has been blown to pieces."

The Reverend Gino Concetti, a Roman Catholic theologian whose views are close to those of Pope John Paul II, said the pregnancy was "a new step toward madness."

He said surrogate motherhood was "a blatant violation of natural maternity and a grave offense against personal dignity, which calls for conception in a dignified manner and by natural means by a married couple. *(Reuters, AP)*

WINE: *Modern European Preferences for Cola and Mineral Water Are Making the Continent's Vintners Uneasy*

Continued from Page 1

traveled to markets as far-flung as Japan, India and Russia. More recently, though, countries not traditionally associated with wine, like Australia, South Africa, and Chile, are crowding in, transforming the trade from a largely European monopoly into a global business. In Europe, the strain is beginning to be felt.

Europe's traditional recipe is to prop up prices by paying wineries to destroy vineyards and to distill excess wine into industrial alcohol. Each year, the European Commission spends about $1.6 billion to keep supplies down. But as global competition mounts, so does resistance to such profligacy. "Instead of spending for price supports," said Achim Blau, an economist at the German Federation of Wine Growers, a trade group in Bonn, "we should be investing in the promotion of European wines."

Not that the picture is totally bleak. Consumers in Asian countries are discovering wine, and in the United States and Germany, always big customers of southern European wines, recent revelations about the positive health effects of moderate wine drinking are lifting sales, particularly of red wine.

Last year, the wineries of France, the world's No. 2 wine-producing nation after Italy, lifted global exports by 13 percent; Spanish wineries using aggressive marketing and pricing elbowed their way into lucrative markets with cava, a sparkling wine. And French and Italian wineries are buying vineyards in Eastern Europe and the United States.

In dollar terms, in fact, exports rose 7 percent as buyers shifted to higher-priced wines, and some industry officials found consolation in that. "For us, the export challenge has only been good," said Allegra Antinori, of Marchesi Antinori, one of Italy's leading Chianti producers. "Wine today is quality wine."

Yet the more closely watched numbers are those for volume, and those do not look good. Italy, at 1.55 billion gallons a year, is the world's largest wine producer. But in 1996 the volume of Italian wine exports plummeted by 25 percent.

So the storm warning is clear: For every thriving European winery, thousands of mom-and-pop operations survive only thanks to subsidies. What aggravates the problem, experts say, is that many regions heavily dependent on wine growing are among those hardest hit by high unemployment. In Spain's Castile-La Mancha, for instance, unemployment is 24 percent, double the European average.

In February, evidence of the tension appeared when wineries in Spain and France pressured the European Commission to earmark fresh funds for the distillation of wine to alcohol. Their action was prompted by large surpluses in France's Charentes region, where sales of wine to local cognac distilleries are hurting because of flagging liquor sales, and in Spain's La Mancha region, where unusually good weather last year produced a bumper grape crop. So in the next several months, almost 63 million gallons of wine will be converted to alcohol, with the wineries paid up to 80 percent of the wine's market price.

In 1994, Rene Steichen, then the European Commission's senior agriculture official, sought to put an end to such market manipulation by proposing that Europe's wineries eliminate almost 20 percent of their production — roughly 4.1 billion gallons — by accepting payments to bulldoze thousands of acres of vineyards. When angry Spanish winegrowers took to the streets of Madrid to protest, the commission dropped the plan.

Yet some industry officials say the day of reckoning has not been avoided, only postponed.

CLINTON: *President Stands Ground on Campaign Financing*

Continued from Page 1

the receipt of the $50,000 donation by Mrs. Clinton's top aide, do not appear to violate federal election law, senior Justice Department officials have said in unusual public statements.

Virtually all unregulated "soft money" contributions to political parties are exempt from the prohibition on campaign fund-raising in federal offices and buildings, according to an interpretation of the law offered Thursday by Attorney General Reno and her chief spokesman.

The statements narrowed the possibility that Ms. Reno will recommend an independent counsel to investigate Democratic fund-raising activities, according to election-law experts.

In addition to the receipt of funds by Ms. Williams, the first lady's chief of staff, the Justice Department statements also apparently applied to Vice President Gore's telephone solicitation of campaign funds from his White House office and a number of other Clinton campaign activities that have come to light in recent days.

The disclosures about Mr. Gore and Ms. Williams have prompted renewed calls by Republicans on Capitol Hill for the appointment of an independent counsel.

Ms. Reno has steadfastly resisted those demands while a special task force of Justice Department lawyers and FBI agents investigates a wide range of allegations involving fund-raising activities during the 1996 campaign.

Responding to a question about whether Ms. Williams's receipt of a contribution at the White House might require investigation by an independent counsel, the attorney general warned that "it's very important that, as you make these allegations and as you portray them in television or on headlines, that you try to clarify just what the issues are."

Ms. Reno then called attention to the strict definition of "contribution" in the statutes prohibiting the use of federal offices and buildings for political fund-raising.

Expanding on her comments, Bert Brandenburg, chief spokesman for the Justice Department, said, "It is the established practice of the career prosecutors in the criminal division that the definition of 'contribution' does not include most soft money."

Soft money is broadly taken to mean contributions to a political party's national committee or group other than a campaign. The funds can then be used for state and local elections, generic political activities such as voter registration or administrative activities. As long as the money is not used to support candidates in federal races, it is exempt from several provisions of campaign laws.

The laws cited by Ms. Reno state that it is illegal to use federal property "to solicit or receive" any funds contributed "for the purpose of influencing any election for federal office."

Critics of Clinton campaign practices contend that the shield of soft money was used to protect a huge fund-raising effort aimed at re-electing the president and that the Justice Department needs to probe deeper to determine whether the Clinton re-election campaign directed the solicitation and spending of these funds.

CHINA: *Tougher Punishments*

Continued from Page 1

rights abuses, said that the legal changes would be significant if they came in a context of judicial tolerance for those who voice differing political opinions.

"But the exact opposite has been happening," he said, pointing to an intense crackdown on dissent over the last year. "The aim of the new laws is to be just as harsh, if not harsher."

Overall, the revisions increase the number of legal articles in the criminal code from 192 to 449. They add new crimes as varied as insider trading, breaking into information networks and creating computer viruses. Forced labor, illegally collecting blood and intimidating a witness are also on the list.

Jonathan Hecht, an expert on Chinese law at Harvard Law School, said that specifying a new criminal code with more precise standards should theoretically reduce arbitrary decisions in sentencing by Chinese judges, many of whom were appointed for political reasons without formally studying law.

BEIJING: *Bomb Blast Reported on Bus*

Continued from Page 1

Muslim separatists want to set up an independent "East Turkestan" in Xinjiang, home to many Turkic-speaking people, including the Uighur ethnic minority. *(Reuters, AP)*

■ Tibetan Opposes Separatism

A top Tibetan member of China's Communist Party spoke out Friday against ethnic separatist violence, saying Tibet and Xinjiang have benefited from Chinese rule, The Associated Press reported from Beijing.

"Everyone wants the country stable. Everyone wants the country's ethnic groups to progress together," Raidi, head of the Tibetan delegation to the National People's Congress meeting, said this week.

Mr. Raidi, a former Buddhist monk who joined the Communist Party in 1961, repeated China's rejection of Tibetan independence, but said the Dalai Lama was welcome to visit for talks on other issues.

"So long as he drops Tibetan independence, we are willing to negotiate anything," said Mr. Raidi, who uses only one name. "We will welcome working together to build the country."

More than 90 percent of China's 1.2 billion people are members of the Han ethnic group, but the country also has 56 minorities.

The indigenous populations of Tibet and Xinjiang are frustrated by Chinese rule that for many years suppressed religion and local customs.

That resentment has been compounded by a growing influx of ethnic Chinese settlers, regarded as a threat to local hopes for prosperity.

Mr. Raidi acknowledged that Tibetan culture had suffered from attacks by leftist fanatics during the 1966-1976 Cultural Revolution, but said that the region's economy had benefited under recent Chinese reforms.

"Tibet's economy is developing. People's lives are getting better," he said. "Tibet doesn't wish unrest, doesn't hope to be separated from the motherland." Mr. Raidi attributed the agitation for Tibetan and Xinjiang independence to a small group of "criminals who want to split the motherland."

MILAN FASHION

When Women Flirt With Power Dressing

A '90s Take on an '80s Theme

By Suzy Menkes
International Herald Tribune

MILAN — Just when you thought it was safe to take out your shoulder pads and turn in your power suits, the 1980s have come back with a vengeance.

Tom Ford's show for Gucci drove a silver spike heel though the wispy waifish 1990s. His show detonated the Milan fashion season and sent out this fashion message: that women should dress as victors, not victims.

Jil Sander's graceful collection of linear clothes lapping the body on the bias added a different, more intellectual vision of women in control, while Dolce & Gabbana's Felliniesque collection featured the film director's obsession with clerics, cross-dressing and corsets.

Ford's striking and sassy Gucci collection, perfectly judged to manipulate media attention, offered sleek tailoring that will have working women heaving the biggest sigh of relief since jackets were given the designer heave-ho. As well as Gucci's signature pinstripes, there were leather-clad models looking strong and sexy with broad-shouldered jackets, shiny black patent belts and stiletto boots. And they clearly wore the pants — masculine trousers that were slung down on the hips, fell loose and straight and so long that they caressed the toes.

The collection also had short, sharp skirts, cunningly cut with a sleek wrap-front; pants tight as leggings, showing a flash of flesh at one hip, and boxy fox furs in vibrant, racing-car colors (think early Yves Saint Laurent). Finishes were hard and metallic, from the lethal-weapon heels through the pewter leather suits and brief Lurex dresses. These Amazonian women, shoulder pads shoved under filmy sweaters, could take anything in their stride — even the wobbly stilettos.

"It's about hard-edged luxury and opulence — not about the '80s," said Ford. "It is more that the set of values around now is a little bit like the 1980s," he added, although he had reduced the Gucci logo to G tapestry velvet purses and made thin black patent luggage straps the new signature.

As a show, it was a brilliant exercise in marketing the Gucci name. As fashion, 1980s looks are more a gimmick than reality and may confuse women who find fashion's wheel spinning too fast. But focusing on sharp tailoring is a welcome antidote to a surfeit of floaty, see-through clothes.

Jil Sander took the opposite tack. She played down the mannish, tailored side — or rather played it off against dresses that were long and straight, yet soft in their felted, flannel and velvet fabrics and in the way they were cut to drape across the body, occasionally showing a glimpse of flesh at the hip. Even sweaters were knitted on the bias, creating a new rounded geometry within the straight lines.

For those who want their tailoring straight up, Sander sends out the most modern coats in town — slim-line shapes, perhaps wrapped with a thin belt, and given surface texture with a dotted weave. But dresses have also become her signature and, with their cap shoulders and throat-high necklines, they seemed to be ready to stand alone, without a jacket, even for the fall season. Dove gray and moss green introduced an interesting new palette of neutral colors, occasionally enriched with ruby red or caramelized orange.

Sander's ability to extend her range within her own aesthetic is impressive: a wrapped skirt and the slightly bloused dresses were fine examples. And if the collection sometimes plays to the same rhythms as Comme des Garcons — as in the bias-knits — that may be because both are strong women designers coming at fashion from a similar viewpoint.

Moore/Thomas

Gucci's pewter leather power suit.

Moore/Thomas

Jil Sander's speckled top and skirt.

THE repeated references to other runways, especially Ann Demeulemeester's pants, John Galliano's details and Yojhi Yamamoto's coats, are rife in Milan. At least at Dolce & Gabbana, the most blatant references are to its own oeuvre. The designer duo left behind floaty, feminine clothes and brought back sex-pot Sicilian tailoring, sending out priestly, black ankle-length coats, lined in scarlet or animal print. For masculine/feminine play, they added neckties, vertiginous jeweled shoes, widow's veils, funky hats, colorful fox fur collars and cute feathered purses. Or perhaps it was to distract from the repetitive silhouettes in different fabrics, some with exquisite vintage-style appliqués.

Did it add up to a great collection? It was more of a slick take, executed to fine Italian tailoring standards, on women flirting with their more masculine side.

The cut-with-a-scalpel collection from Laurel, part of the Escada group, was on fashion target with its hard tailoring in soft black leather, its sweaters in sparkling Lurex or fluffy mohair and its overall vision of a strong and sexy woman. She wears a plunge-front sweater, a bared-back dress, flings on a fur boa and prefers her skirts short and straight.

Meanwhile, if you buy the theory that hemlines rise with an expanding economy, the investment outlook is good. Short skirts in the Milan season suggest that the bullish stock market will keep on roaring to the fall.

ART

For Artists, an Ominous Era

Paris Exhibition Traces Conflicts of the '30s

By Michael Gibson
International Herald Tribune

PARIS — The period that opened with the 1929 stock-market crash and ended with the outbreak of war in 1939 was an ominous decade for Europe. In retrospect, it resembles the first act of a tragedy, the moment when the die is cast, though few of the protagonists are aware of what is about to happen.

Such is the approach adopted by a fascinating, wide-ranging, 1,000-item exhibition at the Musee d'Art Moderne de la Ville de Paris: "Les Annees Trente en Europe" (The '30s in Europe) through May 25.

Artistic production of the '30s appears more closely implicated in the historical and political context than it had been in the earlier decades of this century, no doubt because the state at that time, in Germany, Russia and, to a lesser degree, in Italy, had begun taking an inordinately intrusive interest in the arts. This, in turn, prompted many artists to take an unprecedented interest in the political situation.

Malevich, whose work opens the exhibition, illustrates the artist's quandary. He saw himself as a revolutionary artist but, when Socialist Realism became official dogma, he was no longer acknowledged as such. He consequently took to antedating most of his later works, presumably to suggest that they had been painted before the new rules came into effect.

In Germany, the story of Emil Nolde is also telling. He joined the Nazi party in the early '20s. Goebbels liked his work and even "borrowed" some of his paintings from the Berlin Nationalgalerie.

Yet Nolde was among the artists stigmatized by the "Degenerate Art" exhibition in Munich in 1937 — whose commissioner regretted that the artists themselves could not be stood up beside their works so the public might spit in their faces.

Nolde's pained protests to Goebbels were to no avail and ultimately he took to watercolors (he produced 1,300 of these during the war years), to avoid the tell-tale scent of turpentine which, had it been detected, could have got him into deep trouble.

The Jewish painter Max Liebermann was among those who had no illusions about the situation: "I'll never manage to eat as much as I'd like to throw up," he told a friend after Hitler was appointed chancellor in 1933. Liebermann died a year later. Others, like Max Beckmann and his wife fled the country without delay.

Those who couldn't often wound up in the camps. Otto Dix withdrew to the country and sought the high (and safe) ground in landscape painting and allegory.

The exhibition, which ranges all over Europe, fills practically the entire space of this large Paris museum.

It includes paintings and sculptures by major international figures of the day, (Kandinsky, Klee, Mondrian, Beckmann, Picasso, Matisse, Braque and Dali, for instance), but as many or more by artists who are virtually unknown today, though their presence allows the exhibition to put the period into perspective and determines its peculiar quality.

The main options available to artists of the period — outside of Germany and the Soviet Union — can be defined by and large in terms of three or four notions: abstraction (hard-edged or otherwise), Expressionism, Surrealism and Realism (both naturalistic and "magical").

PRACTITIONERS of pure abstraction might see themselves as the progressive avant-garde, yet both Mondrian and Malevich had a rather unrevolutionary penchant for theosophy that provided the fundamental inspiration of their work.

If abstraction was progressive, Realism could be viewed as "reactionary" — a "return to order" — while the so-called Magical Realism practiced by the likes of Carel Willink (in his "Last Visitors to Pompeii" or his moving "Simon Stylite"), Franz Radziwill (who naively flirted with the Nazis), or Raoul Hynckes (in "The Sponge of Bitterness"), often expressed an unpopular form of pessimism whose roots reached back to the old Symbolist notion of decadence.

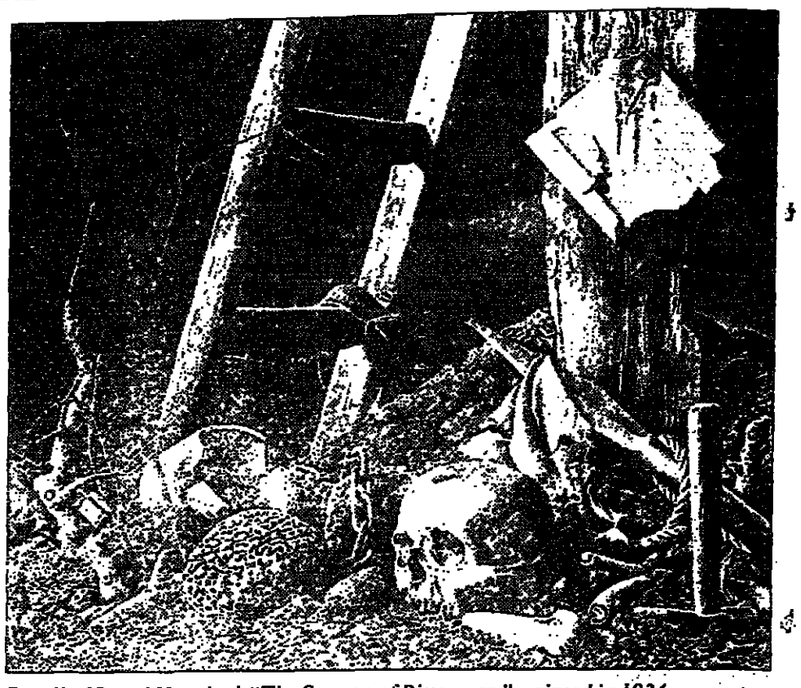
Still, viewed today, some of these works can strike one as premonitory dreams. There was plenty to be pessimistic about, after all.

Unfortunately the art of protest — with the brilliant exception of John Heartfield, Julio Gonzalez, and various purely abstract works — all too often tends to look silly. This is the case, for instance, with F.E. McWilliam's carved wood "Spanish Republican Salute." The Surrealists, on the whole, were more successful in this respect, since their very existence proclaimed the priority of imagination (or at least of free association) over any "dream" dictated from above.

Space is devoted to the various forms of propaganda art in Russia, Germany and Italy: unrelentingly heroic, desperately pompous, academic, vacuous and, despite its apparent innocuousness, utterly chilling as soon as it is presented as the sole acceptable idiom.

An important selection of Pathe newsreels of the '30s is also on continuous display, from room to room, allowing the visitor to follow the unfolding of the drama. An abundance of documentation and photographs complete the picture.

A SECOND, smaller exhibition at the Musee des Monuments Francais through April 15, with drawings and scale models, is mostly devoted to the architectural dreams (and nightmares) of the same period — including works of Frank Lloyd Wright and Le Corbusier, but also Albert Speer's project for a colossal Volkshalle which, had it been built, would have dwarfed the neighboring Brandenburg Gate.



Detail of Raoul Hynckes' "The Sponge of Bitterness," painted in 1934.

Hitler by Heartfield.

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Tiepolo: The End of One World, Beginning of Another?

International Herald Tribune

NEW YORK — The story had never been told. How the curtain was pulled down over the grand show of Italian painting after four centuries of constant creativity is the intriguing subject, albeit not intentionally so, of the Tiepolo retrospective on view at the Met until April 27.

Under the bright lights of the superbly designed exhibition, Giambattista Tiepolo does not come out unscathed. "The presiding genius of 18th-century Venice," as the wall text would have us see the artist, was more convincing as a towering figure as long as his larger compositions on canvas remained tucked away in the protective dimness of Venitian churches and Italian museums, leaving the imagination free to supply depth of feeling and power of expression where there is little more than a theatrical mise-en-scene.

Self-portrait (detail).

And yet inspiration flickers intermittently. Occasionally, this resulted in a few, very few, wonderful pictures. On the other hand, as a draftsman Tiepolo was frequently dazzling, as another exhibition of works on paper by the artist and his circle at the Pierpont Morgan Library until April 13 shows in a beautiful pageant drawn from American collections. How could one man's work

SOUREN MELIKIAN

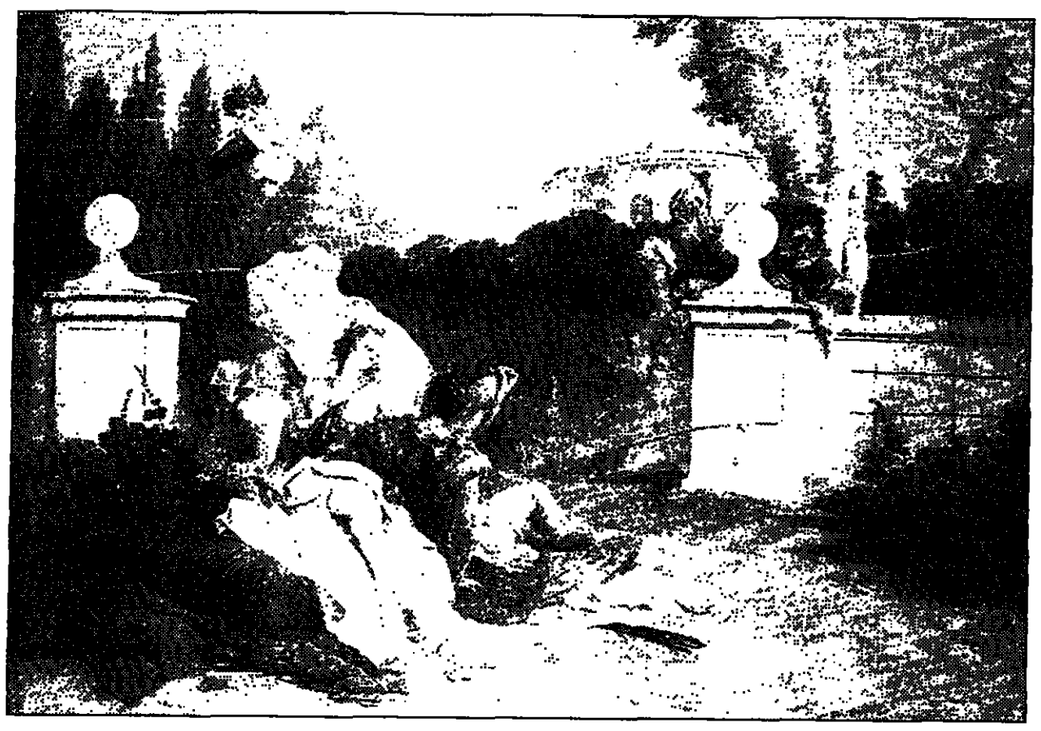
vary so wildly? How could he change his manner so radically, like some actors borrowing different personas?

Tiepolo did it from the beginning, if art historians have got their dates right. The two apostles that he painted in the spandrels of an arch in the church of the Ospedaletto offer a startling contrast. "Saint Thomas," with his face plunged in darkness, is full of mystery. The handling heralds the most advanced strain in French portraiture of the late 1860s, Manet included. With "Saint John," alas, the painter missed out completely. Melodramatically lacrymose, it is none too well painted. Such strange unevenness was to persist for decades.

Theatricality certainly bedeviled many of his more ambitious endeavors. In "Scipio Freeing Massiva," the characters gesticulate and strike swaying postures as if they had been caught in the midst of a pantomime performance.

In another operatic scene in a painting described as "Abraham Banishing Hagar," a patriarch in ochre robes bends over a supplicant woman prostrating herself on the stone step, eyes closed as she touches the edge of his garment. Another woman standing back looks down at the two of them, her lips curled in wistful disdain, while a young man leans forward, aghast at what he sees. Behind them, a bas relief picks up the theme. A man in Ancient Roman costume puts his arm around the shoulder of a distraught woman, as if to remind the living of the need to be compassionate. It gives the whole picture a surrealist twist. Even that is not quite enough, however, to redeem the artificiality of the characters.

Elsewhere, the dryness of the stereotypé is relieved by a puckish sense of fun. In "Apelles Painting Campaspe," based on Pliny's account of the Greek artist falling in love with Alexander the Great's favorite while she sits for him, a painter is seen seated at his easel. On the canvas, the half-finished portrait of a woman stares ahead, goggle eyed. The painter cranes his head around, equally goggle eyed, as he gazes at the sitter, a bare-breasted beauty none too pleased with her emerging likeness.



In "Rinaldo and Armida in the Garden," Tiepolo, master of the Venetian masquerade, displays his sense of fun.

Add, for good measure, a blackamoor nonchalantly standing by the easel, a tiny lap dog with a pink ribbon about to yap and snap in the middle of the room, and a statue of Hercules brooding in the distance, as if crushed by human ineptitude, and it gets as close to stand-up comedy as Venetian painting ever got. Great art? Hardly. But very droll.

TIEPOLO never gave up this comic-strip strain. He was well into his 60s when he completed "Rinaldo and Armida in the Garden," based on Tasso's poem. A matronly Armida, her breast uncovered, puts her arm around a golden-haired Rinaldo, who gazes languidly at her. With a garland of flowers strung across his vaguely Ancient Roman tunic, he looks the perfect nincompoop.

That such a master of the Venice masquerade as Tiepolo could turn his thoughts to religious painting is one of the artist's many paradoxes. He displayed in some of it a depth of feeling that arguably makes him, at intervals, the last great religious painter of European art. He did not altogether reject the theatrical element. In "The Virgin and Child, with Saints Catherine of Siena, Rose of Lima and Agnes," finished by 1748, monumental figures appear in a kind of architectural stage set. Great accuracy is sought in the rendition of detail, including the trompe l'oeil effect of Saint Agnes's cloak falling over a stone step. Mary, wearing an intensely blue mantle, is seated high up, towering above the scene, which exudes a feeling of expectancy. It is a very striking picture.

"The Immaculate Conception," commissioned in 1767 by Charles III of Spain for the convent church at Aranjuez is greater still. The memory of Murillo's art lingers here. The young woman stands on a blue globe, firmly stepping on a serpent, which clutches in its teeth the apple that tempted Adam. A palm tree, sawn off, lies across a cloud. The Virgin looks down, her body slightly curved, the very image of grace and aristocratic dignity. A deeply poetic atmosphere pervades the picture.

That same year, Tiepolo produced his most admirable religious work. "Saint Francis Receiving the Stigmata" appears as an impoverished monk leaning back while an angel lightly touches his chest. The angel's golden loin drape glows in the blue darkness, which envelops a visionary landscape, one of the most beautiful of its kind in the 18th century. His face is probably the most arresting portrait executed by Tiepolo.

Indeed, rather late in life, Tiepolo seems to have discovered in the human face something more than an excuse for amusing expressions. His portraits are little known and uncertainty still surrounds the attribution of some.

Portraits, though, were not entirely new to the artist. A curious sprinkling of self-portraits are concealed in the elaborate scenes. "Apelles" included. They vary from the quizzical to the deeply introspective. In the frescoes in the Arcivescovado at Udine and in the Palazzo Labia in Venice, they give the viewer a piercing look in which irony mingles with anxiety.

Such a mixture of self-scrutiny and readiness to experiment in a variety of keys has a very modern flavor. Tiepolo may have closed a four-century-old tradition. But he also heralded the multiple orientations and split-personality cases of the new age of European art.

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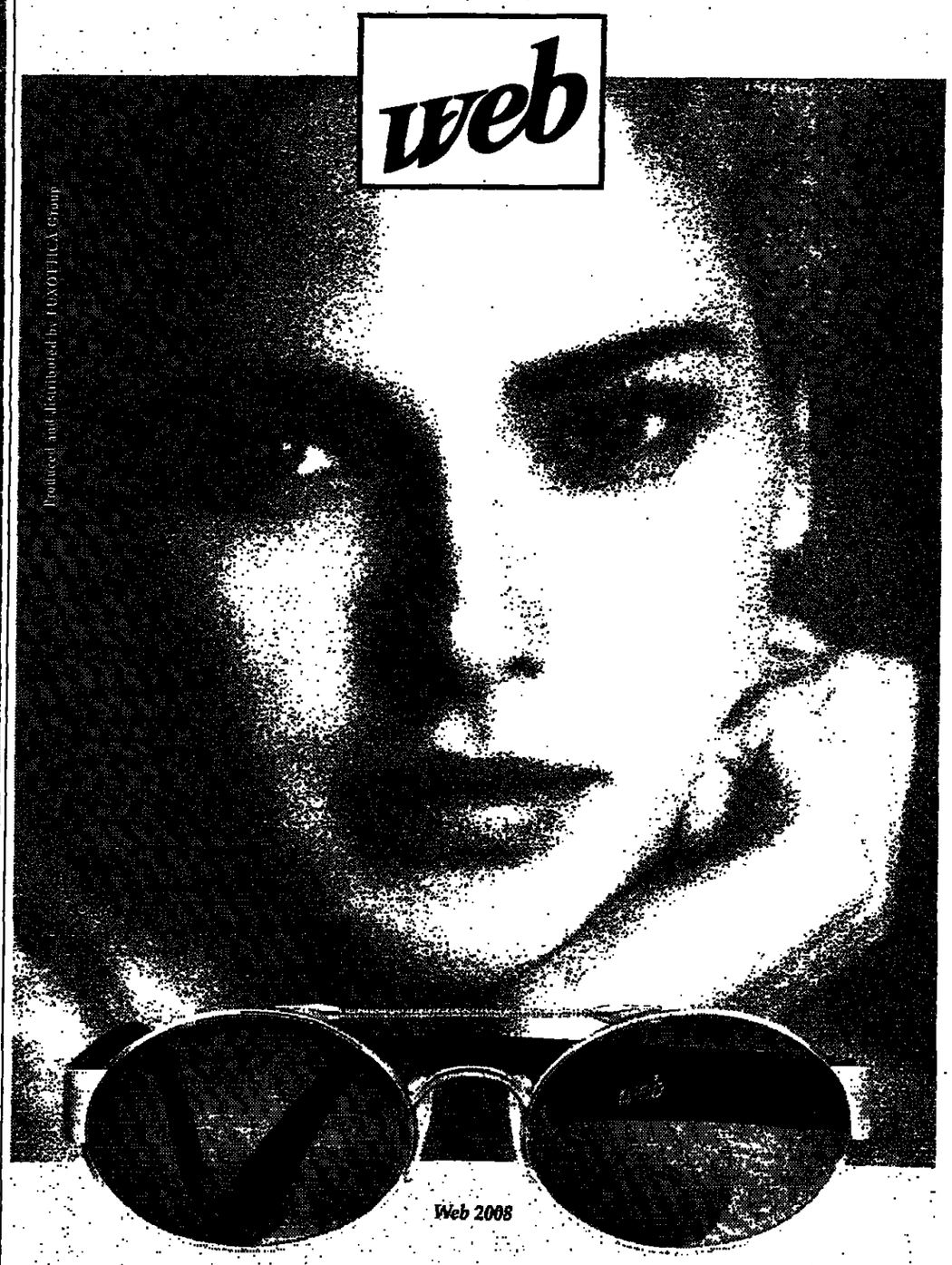

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New Digital Retreat

BSkyB Exits 2d German TV Deal

By Erik Ipsen
International Herald Tribune

LONDON — British Sky Broadcasting PLC, the satellite television company 40 percent owned by Rupert Murdoch, on Friday pulled out of its second attempt in less than a year to break into the German digital-television market.

Analysts said that BSkyB's abandonment of its efforts in Europe's richest market underlined problems for launching digital television not only in Germany, but also throughout the region.

The decision now leaves Germany's Kirch Group alone in its costly struggle to woo Germans over to its fledgling digital television effort, DF1.

Gottfried Zmeck, a senior Kirch Group official, said there were "interested parties" ready to talk about taking BSkyB's place as a DF1 investor, according to a Reuters dispatch from Bonn. "We are open for a partner, but this is not an existential question," Mr. Zmeck said.

But analysts said the fallout from the split would have broader implications. "I think that the Kirch experience will now cause some of the people in the industry who had gotten a bit over-excited to rethink their positions," said Ross Parsons, an analyst with London-based media consultants CLT — not related to the Luxembourg TV company known by the same acronym.

DF1's brief life to date offers plenty of cautionary tales. Launched last July with great fanfare, Germany's first digital television service has encountered an unbroken series of setbacks since. Instead of the 200,000 subscribers that it had forecast for year end 1996, it ended up with barely a tenth that number.

While DF1's 25 channels play to a traditional Kirch strength — the top Hollywood movies on which the group has long cornered the market in Germany — the digital venture falls far short in sports programming.

Broadcast rights for German football are held by Germany's only other pay television service, Premiere. BSkyB was an investor in Premiere, but it pulled out last July in a dispute with Premiere's other owners.

Kirch owns a third of Premiere's shares and had counted on airing the channel via DF1. So far, however, Premiere's other two owners — Bertelsmann AG, the German media giant, and Canal Plus SA of France — have balked at signing over the rights, perhaps because both companies harbor digital ambitions of their own.

Similarly, Kirch's attempts to get DF1 onto cable and into nearly 17 million German homes — a feat it once thought easy — have gone nowhere.

Nonetheless, Kirch insisted Friday that it would soldier on without BSkyB. The group will seek out new partners, it said, but in the interim Kirch will continue to add new channels and to attempt to persuade subscribers to part with 890 Deutsche marks ($518) to buy the set-top digital decoders.

"Our plans are not affected by the divorce, if ever we even had a marriage," a Kirch representative in Munich said.

Last July, flush with admiration for Leo Kirch's pioneering efforts that seemingly had given him an unassailable lead in the digital race, BSkyB said it might snap up as much as 49 percent of DF1. In the end, the Murdoch-controlled group made its exit having bought no shares and having spent little on nurturing the relationship.

On Friday, BSkyB simply noted "a failure to agree on a number of fundamental issues" for the dissolution of the relationship.

But while Mr. Murdoch may have maintained an iron grip on his pocketbook in that short-lived relationship, investors nonetheless reacted poorly to the news that the company had lost one of its most promising opportunities. In early trading BSkyB's shares shed as much as 4.2 percent. By the end of trading they had recovered much lost ground, closing at 616.5 pence ($9.93), down 7 pence.

"The disappointing thing is that this was BSkyB's chance to become an international company, not just a U.K. one," said Andrea Kirkby, an analyst for Daiwa Europe.

Even in its home market, where BSkyB made £257 million in pretax profits last year, there are growing

Fred R. Conrad/The New York Times — Lutz Schmidt/Reuters
Rupert Murdoch, left, is leaving German digital TV to Leo Kirch.

doubts about its plans to launch its own 1,000-channel digital service by the end of the year. Those doubts stem from an unexplained delay in announcing the award of contracts to build the set-top digital decoders.

But not all analysts criticized BSkyB's decision to separate from Kirch. "You have to give Murdoch credit for cutting his losses now," Dennis Exton, an analyst at Nikko Securities, told Bloomberg News. "BSkyB's plan to get into Germany through Premiere is not working because Kirch and Bertelsmann can't agree terms. There are too many variables that BSkyB can't influence and they don't feel in control."

Mr. Parsons suggested that part of the delay could stem from BSkyB's ongoing efforts to find a partner to share the immense financial burdens of going digital. Those burdens include selling consumers a digital decoder for £200 that costs £400 to £500 to produce.

BSkyB's managing director, David Chance, had said contracts to build the decoders would be announced in February; the announcement never occurred. But he said last week that the company was still on track to start digital TV in Britain by year-end.

"It is a hugely expensive undertaking, which is why they are looking to tie up with a partner," Mr. Parsons said. Among others, BSkyB has reportedly talked with a couple of large banks about the possibility of offering an on-screen banking service in return for a partnership stake in the venture.

Other companies have formed partnerships, including a $3.4 billion joint venture between Bertelsmann and Compagnie Luxembourgeoise de Telediffusion, known as CLT. A previous four-way pact between BSkyB, Canal Plus and Havas SA of France and Bertelsmann fell apart last year, Bloomberg reported.

Ultimately, analysts say that digital television will succeed only if there are many different services. For media companies, the digital future promises revenue not only from advertising and subscriptions, but also from pay-per-view sporting events and movies, as well as from interactive services like home banking and home shopping.

The first hurdle is convincing enough viewers to make the switch to digital. Kirsch has been hobbled by its critical shortage in sports programming. In France, Canal Plus has top movie and sports rights sewn up, as does BSkyB in Britain. That allowed Canal Plus to sign up 200,000 subscribers for its digital service, launched late last autumn.

Nomura Is Embroiled In Scandal Once More

Tokyo Threatens Stiff Punishment

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Six years after its chairman and president were forced to resign, Nomura Securities Co. became engulfed in scandal once again after revelations that Japan's largest brokerage had made illegal trades for a client apparently linked to organized crime.

The government pledged Friday to punish Nomura for the trades, and Japanese media said the company's president, Hideo Sakamaki, would resign.

Dismayed Nomura employees said the scandal illustrated how little the company had done after the 1991 scandal to clean up its business practices.

The latest incident again highlighted the cozy ties between big business and organized crime in Japan.

It also raised doubts about government plans to make Tokyo's financial markets as transparent and competitive as those of New York and London by 2001.

Finance Minister Hiroshi Mitsuzuka promised punishment of the company if it were found to have violated stock trading laws.

"After the investigation is completed, we will take severe measures against the company," he said.

A company vice president, Atsushi Saito, acknowledged Thursday that two Nomura directors apparently had made unauthorized stock trades and passed money on to a big client in violation of the Securities and Exchange Law.

But Mr. Saito said he could not confirm reports that the client had links to a *sokaiya* racketeer.

The trades, completed between 1993 and 1996, were made using stocks in Nomura's own account, Mr. Saito said, and profits were funneled to the accounts of "corporate" clients.

NHK television news said the executives had passed the profits to a real estate company linked to sokaiya.

Often linked to Japan's *yakuza* crime syndicates, sokaiya typically extort money from companies by threatening to expose embarrassing details about the private lives of executives or the companies' business habits.

The Nihon Keizai Shimbun said the Finance Ministry would suspend Nomura's activities. The suspension would probably be longer than the six-week suspension the company received for the 1991 scandal, according to the business daily.

The Kyodo news agency said the Security and Exchange Surveillance Commission, which oversees share trading, was also considering lodging a complaint with the Tokyo District Public Prosecutor's Office. Such a complaint is often the first step toward filing of a criminal complaint in Japan.

Despite the scandal, Mr. Mitsuzuka vowed to press on with financial reforms modeled on the "Big Bang" in London in 1986.

"The 'Big Bang' will not be hampered by this," he said. "It must keep on steadily forward."

But some analysts questioned whether the government could really press on with reforms. Nomura has been advising Tokyo on reforms and is widely expected to consolidate its position as Japan's strongest brokerage following their implementation, according to a senior Nomura employee, who asked not to be identified.

"The government is in trouble," said a Japanese broker who also asked not to be identified. "It can't very easily punish Nomura for breaking trading laws and then pass legislation that gives brokerages greater leeway and helps Nomura make more money."

"If there's preferential treatment like this going on," Paul Migliorato of Jardine Fleming Securities Ltd. told Bloomberg News, "small investors can't be encouraged. They don't want to be involved in the stock market."

To atone for the latest scandal, the Nihon Keizai Shimbun and Jiji Press reported, Mr. Sakamaki was preparing to resign, but Nomura called the reports "pure speculation."

The brokerage's new problems come just days after Australian regulators took its British subsidiary, Nomura In-

See NOMURA, Page 15

Thinking Ahead /Commentary

Pacific Finance Talks Fill Key Vacuum

By Reginald Dale
International Herald Tribune

WASHINGTON — When representatives of six leading financial powers get together for private talks on economic and monetary matters, it is virtually inevitable that they will be dubbed the Group of Six.

That is indeed the name that much of the world's media has given to the gathering of senior financial and monetary officials from Australia, China, Hong Kong, Japan, Singapore and the United States that took place for the first time in Tokyo this week.

It is equally understandable that some of the participants — especially the United States — should resist the implied comparison with the Group of Seven leading industrialized nations, which holds extravagant summit meetings once a year and purports to manage the world economy. Any suggestion that another G-7 is in the making could alarm Washington's European allies and create resentment among Pacific nations excluded from the group. Mutterings have already been heard from South Korea, which was not invited.

Deputy Treasury Secretary Lawrence Summers, who led the U.S. team in Tokyo, has duly been insisting that the two groups have precious little in common, and in some ways, he is right. As Fred Bergsten, the director of the Institute for International Economics points out, while the G-7 countries are all rich industrialized democracies, the six economies at the Tokyo meeting, largely as a result of China's inclusion, represent widely different levels of development and political systems.

But some countries represented at the Tokyo meeting — Australia and Japan, for instance — would be quite pleased if the new forum could imitate the more successful side of the G-7, by indulging in serious technical cooperation on exchange rates and economic policies. Although the group set its next session for Singapore in year, some participants are already talking about getting together in the margins of World Bank and International Monetary Fund meetings, as the G-7 does, and possibly upgrading talks to include finance ministers.

Some countries represented in the forum that debuted in Tokyo would be pleased if it imitated the more successful side of the G-7.

The six economies are right to be ambitious about their forum's future. It fills a vacuum that has developed in the Pacific, due partly to the Eurocentric nature of the Group of Seven, which includes four European countries — Britain, France, Germany and Italy — alongside Canada, Japan and the United States. It is entirely appropriate that Pacific nations that hold a disproportionate share of global foreign exchange reserves should coordinate their policies at a time when the Europeans are concentrating on building a monetary union with their own reserve currency.

The new group has something for each of the major players.

China will doubtless interpret its presence at the talks, technical though they may be, as implying political recognition of its future world leadership role. Japan sees the participation of China and the United States in the same group as a good omen for defusing future tensions in the region. Tokyo is also interested in averting financial crises, like the one that may be developing in Thailand, and in exchange rate cooperation to stabilize the yen. The United States clearly sees the forum as a vehicle for pressuring Japan and China to moderate their trade surpluses and open up their economies, while reminding Beijing that Hong Kong should retain a separate identity even after its return to Chinese sovereignty this summer.

But the forum's greatest value should be to help draw China into the international economic and financial system and educate Beijing about how the modern world works.

It is true that the group's beginnings have been modest. But so were those of the G-7. The G-7 has since undermined its own credibility, at least at summit level, by issuing useless longwinded communiqués and indulging in excessive pomposity. The best thing the new group can do is learn from those mistakes.

Culture Clash in the Banking World

Dispute Over Strategy Led Dresdner to Oust Kleinwort Chief

By Youssef M. Ibrahim
New York Times Service

LONDON — To bankers in London and Frankfurt, it was only a matter of time before the much-ballyhooed cross-border combinations of financial institutions that have been the rage over the past few years would result in a public and bitter split.

Now the unexpected resignation last week — described by some as an unceremonious firing — of the popular British chief of Kleinwort Benson Group PLC by the firm's German management has marked the first such public clash.

Bankers in London and in Frankfurt said the feud, over how to manage the bank's 1995 acquisition by Dresdner Bank AG, highlighted the cultural differences between the very different worlds of Germany's staid commercial banks and London's more free-wheeling dealmakers. The culture of investment bankers in London has long been one that is comfortable with taking risks and making deals; German banks, by contrast, have traditionally taken a conservative and unadventurous approach to making loans and providing routine corporate services for fees.

Kleinwort said Feb. 28 that Simon Robertson, its chairman, who negotiated the $1.6 billion acquisition by Dresdner in 1995, resigned in a dispute over how to integrate Kleinwort's investment banking activities and whether control should reside in London.

Mr. Robertson, 55, is understood to have argued that London should be the center for all global investment banking operations.

"There is no disagreement about the need and desirability of doing this," Juergen Sarrazin, Dresdner's chairman, said last week. "Sadly, there has been disagreement with Simon about how to achieve it."

A spokesman for Dresdner in Frankfurt, Gries Lothar, was more explicit Friday, saying in a telephone interview that Mr. Robertson had to leave because he "did not agree with our new strategy for the integration, and we are the owners."

According to a Kleinwort executive, Mr. Robertson, who built a successful career over 34 years at Kleinwort and had strongly backed the Dresdner combination, found out that German management had decided against basing much of the investment banking operation in London. He had fought for a presence in London because that city, rather than Frankfurt, has long been Europe's investment banking and financial trading center.

Dresdner's bankers were clearly not comfortable concentrating so much power and activity with their London associates.

This official said Mr. Robertson was summoned home from vacation and fired, although both institutions called his departure a resignation.

"This is a problem of managing two different cultures," said the Kleinwort executive, who asked that his name not be used. "The British culture is too gentlemanly. The Germans don't like criticism or arguments." Mr. Robertson could not be reached for comment.

Dresdner had not pushed aggressively to fully integrate the two institutions until recently. But late last year, Dresdner transferred the investment-management operation of Kleinwort Benson to RCM Capital Management of San Francisco, which is owned by Dresdner. As a result, the German bank forced out Sir Nicholas Redmayne, chairman of Kleinwort Benson Investment Management.

Mr. Robertson's departure has created a stir in London's financial community. Mr. Robertson was known as an important corporate financier and as a specialist in mergers and acquisitions. He led the firm to a strong financial performance last year.

The head of a competing firm who followed the episode said he was not surprised and expected more such clashes as different banking cultures tried to integrate two very different ways of doing business.

Deutsche Bank AG, Germany's biggest bank and Dresdner's biggest rival decided to concentrate control of investment banking activities in London after Deutsche acquired Morgan Grenfell, another British merchant bank. Besides consolidating its investment banking operations with Morgan, Deutsche built a 5-acre (2-hectare) trading room in London that has symbolized the degree to which London has become a power center in the Deutsche-Morgan Grenfell combination. Dresdner, by contrast, appears to have decided it must retain control in Frankfurt.

In the statement announcing Mr. Robertson's departure, Dresdner said "all of us are agreed that, to recognize the full potential of Dresdner Kleinwort Benson, we must now fully integrate our resources in London and Frankfurt, so that they and all our other offices operate as one entity."

Dresdner's bankers were clearly not comfortable with concentrating that much power and activity with their London associates, analysts in London said.

Several analysts said that Dresdner may have thought there was a lesson to be learned from a recent experience at Deutsche Bank, which suffered an expensive embarrassment last year when a

See SPLIT, Page 15

CURRENCY & INTEREST RATES

Cross Rates

March 7

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9365	3.1075	1.1263	0.3341	0.1137*	—	5.459*	1.3035	1.5875*	1.415	1.33*
Brussels	35.3325	56.82	20.6325	6.1215	2.0885*	18.315	—	23.99	29.22	25.82	24.42*
Frankfurt	1.7149	2.7548	—	0.2966	0.1008*	0.8879	4.8474*	1.1582	1.455*	1.2558	1.1813*
London (a)	1.6047	—	2.7583	9.296	2,732.32	3.1063	56.8738	2.383	195.6852	2.195	233.4116
Madrid	145.212	233.109	84.647	25.101	8.539*	75.15	4.1032	98.143	119.76*	106.126	—
Milan	1,698.60	2,729.50	991.78	293.94	—	881.47	48.011	1,151.15	13.998	1,243.55	11.738
New York (b)	—	1.6030a	1.714	5.781	1,705.00	1.9302	35.36	1.48	121.90	1.3693	145.30
Paris	5.785	9.2865	3.3722	—	0.3402*	2.9939	0.1635	3.9099	4.7712*	4.2279	3.984*
Tokyo	121.40	195.93	70.67	20.96	0.715	62.76	3.4274	81.95	—	88.81	0.8359
Toronto	1.3086	2.1952	0.798	0.2366	0.0803*	0.7086	0.387*	0.925	1.1234*	—	0.942*
Zurich	1.4425	2.3814	0.8632	0.256	0.087*	0.7663	4.1832*	—	1.2162*	1.083	1.0191*
1 ECU	1.1395	0.7098	1.9547	6.5910	1,937.65	2.2018	40.3255	1.686	138.16	1.5591	165.461
1 SDR	1.3747	0.8536	2.3674	7.9707	2,368.61	2.6589	48.7483	2.0442	167.443	1.8757	199.887

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	269.52	Mex. peso	8.025	S. Afr. rand	4.461
Australian $	1.2682	Hong Kong $	7.7424	N. Zealand $	1.4188	S. Kor. won	869.40
Austrian sch.	12.101	Hung. forint	177.97	Norw. krone	6.9345	Swed. krona	7.6876
Brazil real	1.0526	Indian rupee	35.85	Phil. peso	26.31	Taiwan $	27.50
Chinese yuan	8.3257	Indo. rupiah	2394.88	Polish zloty	3.09	Thai baht	25.95
Czech koruna	29.57	Irish £	0.6437	Port. escudo	172.51	Turkish lira	124080.
Danish krone	6.5555	Israeli shek.	3.3635	Russ ruble	5686.00	UAE dirham	3.6705
Egypt. pound	3.3943	Kuw. dinar	0.3038	Saudi riyal	3.7498	Venez. boliv.	477.50
Fin. markka	5.1309	Malay. ring.	2.4813	Sing. $	1.4330		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6055	1.6045	1.6036	Japanese yen	121.13	120.60	120.09
Canadian dollar	1.3659	1.3630	1.3604	Swiss franc	1.4808	1.4761	1.4714
Deutsche mark	1.7170	1.7135	1.7102				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

March 7

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	3 - 3 1/8	1 7/8 - 2	5 15/16 - 6 1/16	3 5/16 - 3 7/16	7/16 - 9/16	4 1/16 - 4 3/16
3-month	5 7/16 - 5 9/16	3 1/8 - 3 1/4	1 7/8 - 2	6 1/16 - 6 3/16	3 1/4 - 3 3/8	7/16 - 9/16	4 1/8 - 4 1/4
6-month	5 5/8 - 5 3/4	3 1/8 - 3 1/4	1 3/4 - 1 7/8	6 1/4 - 6 3/8	3 1/4 - 3 3/8	9/16 - 11/16	4 1/8 - 4 1/4
1-year	5 7/8 - 6	3 1/4 - 3 3/8	1 3/4 - 1 7/8	6 1/2 - 6 5/8	3 3/8 - 3 1/2	1/2 - 5/8	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 5/16
90-day CDs dealers	5.46	5.44
180-day CP dealers	5.37	5.35
3 month Treasury bill	5.19	5.21
1-year Treasury bill	5.67	5.71
2-year Treasury bill	6.08	6.12
5-year Treasury note	6.39	6.45
7-year Treasury note	6.50	6.54
10-year Treasury note	6.57	6.62
30-year Treasury bond	6.83	6.88
Merrill Lynch 30-day RA	4.87	4.87
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.44
1-month interbank	0.59	0.59
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.43	2.44
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.10
1-month interbank	3.28	3.28
3-month interbank	3.25	3.25
6-month interbank	3.25	3.25
10-year Bond	5.70	5.66
Britain		
Bank base rate	6.00	6.00
Call money	6 1/16	6.00
1-month interbank	6.00	6.00
3-month interbank	6 1/8	6 1/8
6-month interbank	6 3/16	6 1/4
10-year Gilt	7.30	7.27
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 1/4
1-month interbank	3 5/16	3 5/16
3-month interbank	3 5/16	3 3/8
6-month interbank	3 1/4	3 1/4
10-year OAT	5.60	5.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	352.50	349.00	−3.75
London	351.70	350.30	−2.80
New York	353.50	349.30	−4.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

IMF Chief Comforts Bangkok Investors

Reuters

HONG KONG — Michel Camdessus, the head of the International Monetary Fund, chided Thai financial regulators for lax supervision but sought to reassure jittery investors by predicting that the situation would not turn into a crisis.

He said the IMF had held talks with Thai regulators and that he was confident in their ability to handle the problem.

"What they are doing is exactly what you must do to avoid the recurrence of a Mexico-like crisis," Mr. Camdessus said at a conference on financial integration in Asia and the role of Hong Kong.

Meanwhile, the stock market recovered on Friday, after falling sharply all week. The Stock Exchange of Thailand index rose 14.91 points, or 2 percent, to 691.45 as investors took advantage of low prices, and the run on banking companies eased. Still, the index is down 17 percent so far this year.

But analysts said financial authorities had yet to release the data needed for long-term investors to return. Brokers and research institutes have estimated the burden of nonperforming loans on banks and finance companies at 800 billion baht ($30.82 billion).

Thai regulators on Monday sent shock waves through the nation's fragile financial sector by ordering significant changes in banking rules.

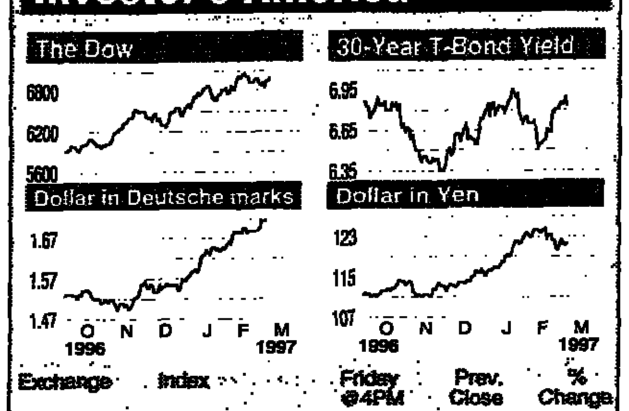
They ordered 10 finance firms facing liquidity problems to increase their capital by more than $300 million and instructed banks and finance companies to raise provisions against bad loans, particularly for those to the depressed property sector. The result was a run on deposits at the 10 troubled companies.

"The Thai authorities are taking gradual steps to address the kind of tensions which is only the other face of a very successful development policy," Mr. Camdessus said at the conference.

He said Thailand was not alone in lacking a developed regulatory framework. "In many countries in Asia and elsewhere, prudential regulation and supervision have not kept pace with the new complexities of banking business."

"The presence of large capital inflows reduces the room for policy maneuver and limits the scope for policy mistakes," Mr. Camdessus added.

Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	7000.89	6944.70	+0.81
NYSE	S&P 500	804.11	798.41	+0.71
NYSE	S&P 100	779.45	776.22	+0.42
NYSE	Composite	423.46	419.92	+0.84
U.S.	Nasdaq Composite	1310.95	1317.09	-0.47
AMEX	Market Value	602.12	600.01	+0.35
Toronto	TSE Index	6263.96	6217.40	+0.75
São Paulo	Bovespa	9180.58	9110.36	+0.77
Mexico City	Bolsa	3791.02	3794.21	-0.08
Buenos Aires	Merval	733.05	718.78	+1.99
Santiago	IPSA General	5377.21	5328.16	+0.92
Caracas	Capital General	N.A.	6339.45	-

Source: Bloomberg, Reuters — International Herald Tribune

Boardrooms Under Scrutiny

Investors Begin to Look at Directors' Contributions

By Judith H. Dobrzynski
New York Times Service

NEW YORK — Life in corporate America's board rooms continues to get less cozy.

A new survey of 231 large shareholders has found that institutional investors, in the same way they have toppled poorly performing chief executives, want ineffective directors to be jettisoned.

Many say they consider the quality of a company's directors in their investment decisions, and a large majority wants companies to disclose more information about investors' representatives in the board room.

The survey, which was sponsored by the executive recruiting firm Russell Reynolds Associates, is evidence of the increasing sophistication of the corporate governance movement.

Since the mid-1980s, shareholders have successively revolted against the tactics companies have used to thwart corporate raiders, against chief executives at various troubled companies and against boards at weak companies. They mainly focused on board structure, pushing to split the job of chairman from that of chief executive, for example.

Now investors are focusing on individuals and what they actually contribute. "Investors are really looking for a better sense of the value of each director," said John W.T. Hawkins, the managing director in charge of Russell Reynolds' board practice, which recruits potential directors. "They want more personal information, more about their business track records and their contributions."

John Pound, a corporate governance specialist at Harvard Law School, said: "Investors have realized that the structural aspects of the board are not really the key to how a board performs. That's a function of who the directors are, and how they make decisions when they sit down around the table."

According to the survey, 25 percent of investors consider a board's quality to be extremely or very important when they evaluate investment opportunities.

Wirthlin Worldwide, an opinion-research group based in McLean, Virginia, conducted the survey of 201 money managers at mutual funds, investment banks and other financial institutions and 30 corporate or public pension fund managers. The results are considered accurate within 6.5 percentage points either way.

Investors' unhappiness with directors overall is clearly evident in one striking response: 88 percent of those questioned agreed that "boards need to be more aggressive in weeding out underperforming members," and 62 percent strongly agreed. Investors said they were concerned about directors who are family members or who have been ousted from their jobs, as well as directors who sit on many boards or have interlocking board seats.

If investors wanted to remove directors, their safest bet would be to lobby a board against the offending director, essentially pressing for a resignation. Otherwise, they can only withhold votes for directors when they come up for election at annual meetings — and they would have to muster support from many other shareholders. Such efforts have rarely succeeded.

Investors are not unanimous in their views on directors. The survey discovered that they are split on just how involved board members should be in a company: 53 percent said the board should act only as an overseer, while 44 percent said the board should play an active role in strategic planning and management.

But they are united on many other views. Investors want the board to be involved in planning leadership succession — 58 percent said it was a critical board responsibility and 96 percent of the respondents said it was an important responsibility.

Investors also see involvement in the compensation of senior management as a key board function: 63 percent want directors to be involved in determining executive compensation, up from 49 percent in a survey of large investors Russell Reynolds commissioned in 1995.

JOBS: *Wage Numbers Cheer Markets*

Continued from Page 1

0.2 percent, and that the number of jobs created in December and January was revised downward.

Nonetheless, Mr. DiClemente said the report "should not be a lasting source of comfort to the bond market" and that "these data do not deflect the odds of a Fed tightening this month."

Analysts were divided on the question of the central bank's response. Ed Yardeni and Debbie Johnson at Deutsche Morgan Grenfell Inc. told their clients that the data were "consistent with our view that wages gains should remain moderate."

They added that "even if wage gains turn out to be stronger than we expect, remember wage gains offset by productivity are not inflationary."

Rising worker productivity has been credited with fueling the U.S. economy's recent growth, which has been running between 2 percent and 3 percent a year without producing significant price increases. Yet, Mr. Greenspan has warned that the Wall Street rally that has taken the Dow industrials up nearly 9 percent this year, following gains of 35 percent in 1995 and 26 percent in 1996, could encourage consumers to increase their spending, thus leading to higher prices for goods and services.

An additional worry on the inflation front has been the low unemployment rate, which at 5.3 percent cannot fall much lower. With most people who want to work already holding jobs, companies will eventually be forced to raise wages to attract good employees. Thus, the idea that few of the remaining unemployed have recently quit their jobs was a palliative to nervous investors because it confirmed the notion that Americans are insecure about the future of their income if not their securities portfolios.

Although he was optimistic that technology would create long-term enhancements to productivity, Mr. DiClemente said Mr. Greenspan's semiannual testimony to Congress on Fed policy, as well as comments he made in other forums last week, were as clear an indication as any the central banker was likely to provide

U.S. STOCKS

that an interest rate increase was likely. The central bank's policy-setting Federal Open Market Committee is scheduled to next meet on March 25 and then on May 20.

Even accounting for the large number of construction jobs, Mr. DiClemente said the average number of positions created in recent months was about 220,000, a level that "is hardly sustainable in my book." With the labor force increasing at about 1.1 percent a year, he said, from 125,000 to 150,000 positions a month could be created without exhausting the supply of workers.

With investors failing to share Mr. DiClemente's worries that the Fed was likely to raise short-term interest rates, financial-services companies, which would benefit from a steady monetary policy, were among the top gainers on Wall Street.

Among the money-center banks, Citicorp rose 3½ to 126 and Chase Manhattan rose 3⅜ to 106⅛. The regional banks were led higher by Banc One, which rose 1⅜ to 48⅛ and Wachovia, which gained 2¼ to 64⅜.

In the insurance industry, Cigna rose 5⅛ to 155½, Travelers gained ¾ to 55⅜ and ITT Hartford rose 1½ to 76¾. Also advancing were such interest-sensitive issues as Freddie Mac, which rose 1 to 32⅜.

Very briefly:

Cablevision Buys Up the Garden

NEW YORK (NYT) — Cablevision Systems Corp. has agreed to acquire ITT Corp.'s 50 percent share in Madison Square Garden for $650 million in cash, two years after the companies bought the sports and entertainment center as partners for $1 billion.

The acquisition will give Cablevision, a cable-system owner and programmer, control over the arena, the New York Knicks basketball team, the New York Rangers hockey team and the MSG Network, the United States' second-largest regional sports network with 5.4 million subscribers.

- **Steven Hoffenberg,** a bill collector who once briefly ran the New York Post newspaper, was sentenced to 20 years in prison and ordered to pay $462 million in restitution to the thousands of small investors he defrauded.
- **Marvel Entertainment Group Inc.**'s controlling shareholder, **Ronald Perelman,** dropped his plan to bail out the bankrupt comic-book publisher and agreed to work on a rights offering proposed by bondholders.
- **BBDO Worldwide** has withdrawn from competition for **Delta Air Lines Inc.**'s $100 million global advertising account, charging that the review had been rigged by Delta executives to end with BBDO's dismissal. The agency, a unit of **Omnicom Group,** has worked for Delta since 1945.
- **Applied Magnetics Corp.** will not raise its $1.18 billion hostile offer for its larger rival, **Read-Rite Corp.,** in a move analysts said would kill the transaction. Both companies make the heads used in computer disk drives.
- **Chubb Corp.** raised its quarterly dividend 7.4 percent, stepped up its share buyback program and will restate 1996 earnings to reflect a charge for real-estate write-downs.
- **UAL Corp.'s United Airlines** unit, correcting an earlier statement, said it ordered seven additional airplanes from Airbus Industrie and was negotiating with Boeing Co. for three more planes.

AP, Bloomberg, NYT, Reuters

Mark Gains on Dollar

Bloomberg News

NEW YORK — The dollar fell against European currencies Friday after a Bundesbank council member said the U.S. currency's rise against the Deutsche mark had finished.

Ernst Welteke, a member of the German central bank's policy-making committee, added that he would not like to see

FOREIGN EXCHANGE

the dollar rise any further. "I would not be pleased if the dollar continued to rise at the same pace," Mr. Welteke said.

At 4 P.M. here, the dollar was at 1.7140 Deutsche marks, down from 1.7160 DM Thursday, at 5.7810 French francs, down from 5.7875 francs and at 1.4800 Swiss francs, down from 1.4820 francs. The pound fell to $1.6030 from $1.6143.

But the dollar rose against the yen, taking heart from the strong U.S. employment data for February released Friday.

"The numbers mean continued strength in the economy, and that in turn should lead to a higher dollar," said John Trammell at A. Gary Shilling & Co. At 4 P.M., the dollar was at 121.900 yen, up from 121.155 Thursday.

AMEX

Friday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

INTERNATIONAL FUTURES

March 7, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Close	Chge	Opint
Mar 97	308½	300½	301½	-4¾	24,517
May 97	308¼	299¼	300	-4½	162,458
Jul 97	308	299¼	299¾	-4	110,577
Sep 97	294¾	287½	287½	-4	14,922
Dec 97	292¼	284½	285½	-4	69,587

Est. sales N.A. Thu's. sales 97,938
Thu's open int 392,737 up 1784

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Mar 97	270.20	265.70	268.00	+0.70	9,395
May 97	266.30	261.80	263.70	+1.00	49,794
Jul 97	262.70	259.00	260.20	+0.60	28,417
Aug 97	256.50	253.20	254.50	+0.60	7,130
Sep 97	245.50	242.80	243.00	-0.50	4,241
Oct 97	229.00	225.80	226.50		3,348

Est. sales N.A. Thu's. sales 30,212
Thu's open int 111,571 up 1403

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Close	Chge	Opint
Mar 97	25.40	24.95	25.06	-0.06	4,959
May 97	25.80	25.34	25.48	-0.01	52,843
Jul 97	26.20	25.74	25.87	+0.02	24,774
Aug 97	26.30	25.93	26.05	+0.06	4,506
Sep 97	26.28	26.05	26.18	-0.08	3,118
Oct 97	26.40	26.05	26.20	-0.03	2,091

Est. sales N.A. Thu's. sales 27,279
Thu's open int 101,151 up 2497

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Close	Chge	Opint
Mar 97	828	817	820	+2	6,822
May 97	832½	820	824½	+2¼	86,919
Jul 97	832	820½	824½	+2¼	54,789
Aug 97	821½	810½	816	+3½	8,000
Sep 97	773	763¼	768	+4¼	3,833

Est. sales N.A. Thu's. sales 74,091
Thu's open int 191,167 up 2863

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Close	Chge	Opint
Mar 97	380½	373	373	-½	744
May 97	382	373½	374	-1	25,242
Jul 97	369	360	360¼	-1¼	35,928
Sep 97	370½	362½	363½	-1½	3,805

Est. sales N.A. Thu's. sales 14,076
Thu's open int 69,956 off 9528

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Apr 97	68.45	68.05	68.27	+0.10	42,706
Jun 97	64.90	64.30	64.82	+0.35	22,586
Aug 97	63.75	63.30	63.55	+0.05	19,514
Oct 97	67.25	66.75	67.02	-0.15	14,181
Dec 97	69.37	68.97	69.17	-0.22	6,465
Feb 98	70.55	70.10	70.35	-0.27	2,910

Est. sales 16,815 Thu's. sales 18,135
Thu's open int 108,965 up 764

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	67.95	66.25	67.90	+0.20	3,444
Apr 97	67.35	66.82	66.95	-0.37	4,199
May 97	68.97	67.80	68.60	-0.27	5,358
Aug 97	72.20	71.20	71.85	-0.22	4,868
Sep 97	73.25	72.25	72.80	-0.10	1,391
Oct 97	74.05	73.15	73.97	-0.05	2,161

Est. sales 5,213 Thu's. sales 6,271
Thu's open int 22,655 up 344

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Apr 97	70.80	69.70	70.20	-0.05	13,959
Jun 97	77.52	76.30	77.15	-0.52	9,645
Jul 97	76.12	75.10	75.85	-0.37	2,637
Aug 97	72.77	71.92	72.60	-0.47	2,277
Oct 97	66.35	65.75	66.00	+0.25	1,472
Dec 97	64.40	63.90	64.20	+0.05	845

Est. sales 9,643 Thu's. sales 14,224
Thu's open int 31,327 off 237

PORK BELLIES (CMER) 40,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Mar 97	75.80	74.40	74.55	-0.82	751
May 97	77.90	75.50	76.15	-0.40	5,317
Jul 97	77.85	75.80	75.90	-0.12	1,346
Aug 97	74.50	73.50	74.00	-0.37	521

Est. sales 3,083 Thu's. sales 3,912
Thu's open int 7,935 off 238

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Mar 97	1288	1282	1288	-4	130
May 97	1344	1321	1324	-6	30,822
Jul 97	1366	1348	1348	-7	19,028
Sep 97	1392	1375	1375	-7	10,841
Dec 97	1420	1405	1409	-5	6,490

Est. sales 10,093 Thu's. sales 4,066
Thu's open int 90,984 off 652

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	213.00	204.00	205.75	-6.20	1,585
May 97	193.50	187.50	189.70	-4.00	23,372
Jul 97	180.25	175.00	177.00	-4.15	7,998
Sep 97	168.50	164.25	166.50	-3.05	4,278

Est. sales 12,858 Thu's. sales 115,515
Thu's open int 41,237 off 707

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
May 97	11.03	10.93	10.97	-0.04	73,206
Jul 97	10.76	10.67	10.74	-0.06	32,959
Oct 97	10.72	10.67	10.70	0.05	24,323
Mar 98	10.70	10.65	10.66	-0.02	11,031

Est. sales 12,380 Thu's. sales 9,507
Thu's open int 143,715 up 2097

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Mar 97	86.30	84.00	84.75	-0.95	454
May 97	88.30	86.15	86.50	-0.95	14,353
Jul 97	90.20	88.50	88.55	-1.05	4,940
Sep 97	92.00	90.60	90.80	-0.20	3,586

Est. sales N.A. Thu's. sales 2,703
Thu's open int 25,248 off 275

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Mar 97			353.20		5
Apr 97	354.40	349.50	350.00	-3.60	66,931
May 97			354.60		1
Jun 97	356.00	351.50	352.00	-3.60	26,833
Aug 97	357.00	353.60	354.50	-3.40	9,974
Oct 97	359.30	359.30	359.30	-1.10	6,251
Dec 97	362.30	358.70	359.40	-3.40	20,942
Feb 98	364.60	362.50	362.50	-3.00	4,386

Est. sales N.A. Thu's. sales 28,414
Thu's open int 171,250 up 449

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb

	High	Low	Close	Chge	Opint
Mar 97	116.20	114.60	115.20	-0.50	8,408
Apr 97	116.30	113.00	113.00	-0.90	3,267
May 97	114.50	110.70	111.40	-0.80	26,870
Jun 97	111.00	109.70	109.70	-0.30	998
Jul 97	110.60	107.00	107.10	-1.35	7,279
Aug 97	107.80	106.50	106.50	-0.40	638
Sep 97	107.00	104.50	104.50	-0.95	2,820
Oct 97			104.20		606
Nov 97			103.35		583

Est. sales N.A. Thu's. sales 9,349
Thu's open int 61,315 off 449

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Mar 97	517.00	513.00	516.00	-2.40	1,049
Apr 97			520.20		101
May 97	524.00	516.50	521.00	-1.70	59,267
Jul 97	528.50	522.00	525.00	-2.70	12,523
Sep 97	530.00	527.00	529.50	-3.30	3,375
Dec 97	542.00	534.00	535.00	-5.20	5,332
Jan 98			543.10		14
Mar 98	544.00	544.00	544.00	-4.00	4,703

Est. sales N.A. Thu's. sales 18,205
Thu's open int 89,587 off 1800

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Apr 97	386.90	378.00	380.50	-5.80	18,364
May 97			388.50		
Jul 97	388.50	380.50	382.50	-6.00	3,354
Oct 97	386.00	386.00	386.00	-4.80	2,092
Jan 98	387.00	387.00	387.00	-5.90	1,123

Est. sales N.A. Thu's. sales 4,660
Thu's open int 25,319 up 5

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1649.00	1650.00	1652½	1653½
Forward	1678.00	1679.00	1681.00	1682.00
Copper Cathodes (High Grade)				
Spot	2493½	2496½	2436.00	2439.00
Forward	2412½	2413½	2378.00	2379.00
Lead				
Spot	691.00	692.00	678.00	679.00
Forward	686.00	687.00	677.00	678.00
Nickel				
Spot	8050.00	8060.00	8045.00	8055.00
Forward	8150.00	8160.00	8145.00	8155.00
Tin				
Spot	5865.00	5875.00	5840.00	5850.00
Forward	5920.00	5925.00	5895.00	5900.00
Zinc (Special High Grade)				
Spot	1250½	1251½	1225.00	1226.00
Forward	1260.00	1261.00	1241.00	1241½

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 97	94.90	94.87	94.90		2,982
Jun 97	94.76	94.67	94.76	-0.03	4,537
Sep 97	94.54	94.51	94.54	-0.03	2,022
Dec 97			94.48		847

Est. sales N.A. Thu's. sales 573
Thu's open int 9,541 up 33

5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	106-09	105-30	106-09	-21	47,195
Jun 97	105-56	105-04	105-32	-19	164,383
Sep 97			105-17		3

Est. sales N.A. Thu's. sales 47,180
Thu's open int 211,581 off 3405

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	108-14	107-22	108-10	-15	78,179
Jun 97	107-25	106-20	107-23	-16	230,705
Sep 97	106-20	106-20	106-20	-02	5,742

Est. sales N.A. Thu's. sales 114,369
Thu's open int 314,627 up 5749

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Mar 97	110-28	109-11	110-25	-24	154,753
Jun 97	110-13	108-23	110-09	-24	358,491
Sep 97	109-30	108-23	109-27	-23	12,502
Dec 97	108-29	108-29	108-29	-06	5,056

Est. sales N.A. Thu's. sales 376,716
Thu's open int 532,200 off 7328

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar97	112-04	111-19	111-31	-0-03	38,935
Jun97	111-22	110-28	111-16	-0-03	180,673
Sep97	N.T.	N.T.	111-01	-0-03	

Est. sales: 111,289 Prev. sales: 60,772
Prev. open int.: 219,558 off 1,160

GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Jun97	101.85	101.25	101.50	-0.17	245,783
Sep97	100.75	100.60	100.63	-0.19	587

Est. sales: 230,220 Prev. sales: 201,335
Prev. open int.: 246,370 up 2,678

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	131.28	130.86	130.94	-0.32	102,257
Jun 97	130.02	129.66	129.70	-0.32	49,154
Sep 97	128.34	128.12	128.06	-0.32	1,851
Dec 97	N.T.	N.T.	97.24	-0.32	0

Est. volume: 239,673. Open int.: 153,262 off 3,638.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Jun97	128.10	127.00	127.60	+0.50	100,300
Sep97	127.60	127.10	127.52	+0.50	1,962

Est. sales: 60,857. Prev. sales: 69,903
Prev. open int.: 102,262 up 4,125

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 00	93.22	93.09	93.22	+0.08	43,262
Jun 00	93.12	93.04	93.12	+0.03	35,687
Sep 00	93.08	93.00	93.07	+0.02	32,989
Dec 00	93.05	92.92	93.05	+0.08	25,706
Mar 01	93.05	92.94	93.05	+0.08	24,073
Jun 01	93.00	92.92	93.00	+0.08	19,368
Sep 01	92.96	92.87	92.96	+0.08	14,286
Dec 01	92.88	92.80	92.88	+0.08	11,001
Mar 02	92.84	92.79	92.83	+0.02	5,697
Jun 02	92.79	92.78	92.78	+0.02	5,397
Sep 02	92.75	92.74	92.74	+0.02	4,846
Dec 02	92.67	92.66	92.66	+0.02	5,644

Est. sales N.A. Thu's. sales 436,595
Thu's open int 2,447,930 up 35999

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Mar 97	1.6156	1.5982	1.6008		32,832
Jun 97	1.6126	1.5940	1.5986		5,054
Sep 97	1.5996	1.5990	1.5990		1,229
Dec 97			1.6074		8

Est. sales N.A. Thu's. sales 8,952
Thu's open int 39,123 up 511

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	Opint
Mar 97	.7338	.7297	.7314		38,115
Jun 97	.7383	.7340	.7357		23,100
Sep 97	.7425	.7395	.7398		3,878
Dec 97	.7437	.7420	.7434		802

Est. sales N.A. Thu's. sales 17,496
Thu's open int 65,983 up 3176

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Mar 97	.5844	.5812	.5833		88,876
Jun 97	.5881	.5843	.5865		22,791
Sep 97	.5891	.5890	.5891		2,609
Dec 97			.5944		31

Est. sales N.A. Thu's. sales 23,357
Thu's open int 114,307 off 853

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Mar 97	.8273	.8196	.8208		67,460
Jun 97	.8372	.8303	.8314		11,604
Sep 97	.8460	.8425	.8428		725

Est. sales N.A. Thu's. sales 21,537
Thu's open int 79,982 off 208

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Mar 97	.6778	.6734	.6763		46,260
Jun 97	.6842	.6796	.6822		9,181
Sep 97	.6890	.6865	.6865		1,890

Est. sales N.A. Thu's. sales 21,005
Thu's open int 57,358 off 517

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	93.75	93.73	93.75	Unch.	92,644
Jun97	93.60	93.55	93.59	+0.02	126,149
Sep97	93.39	93.32	93.38	+0.03	91,934
Dec97	93.25	93.15	93.23	+0.02	63,665
Mar98	93.12	93.05	93.11	-0.02	46,700
Jun98	93.01	92.93	92.99	+0.01	38,994
Sep98	92.91	92.83	92.88	Unch.	23,905
Dec98	92.81	92.73	92.78	Unch.	23,382
Mar99	92.72	92.66	92.70	+0.01	11,364
Jun99	92.65	92.58	92.64	+0.01	7,738
Sep99	92.58	92.51	92.56	Unch.	7,658
Dec99	92.51	92.48	92.50	-0.03	4,769

Est. sales: 79,170. Prev. sales: 109,216
Prev. open int.: 535,822 up 6,031

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	96.75	96.73	96.73	-0.02	175,689
Apr97	96.75	96.75	96.74	-0.02	6,906
May97	96.75	96.75	96.74	-0.02	3,059
Jun97	96.76	96.72	96.72	-0.03	196,246
Sep97	96.68	96.61	96.62	-0.05	173,071
Dec97	96.53	96.43	96.44	-0.08	189,648
Mar98	96.35	96.25	96.25	-0.10	143,461
Jun98	96.14	96.04	96.04	-0.11	122,738
Sep98	95.91	95.82	95.82	-0.10	89,891
Dec98	95.65	95.56	95.57	-0.10	78,590
Mar99	95.41	95.33	95.33	-0.10	51,860
Jun99	95.19	95.09	95.09	-0.10	26,163
Sep99	94.95	94.89	94.87	-0.09	13,492
Dec99	94.72	94.60	94.64	-0.09	25,256

Est. sales: 299,851. Prev. sales: 234,501
Prev. open int.: 1,314,692 up 33,951

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	96.64	96.62	96.63	-0.01	39,121
Jun 97	96.62	96.57	96.58	-0.04	58,132
Sep 97	96.55	96.50	96.51	-0.05	42,682
Dec 97	96.46	96.39	96.41	-0.06	31,134
Mar 98	96.35	96.29	96.30	-0.06	18,199
Jun 98	96.21	96.15	96.16	-0.06	16,939
Sep 98	96.03	95.98	95.98	-0.07	12,437
Dec 98	95.85	95.77	95.79	-0.07	10,963
Mar 99	95.63	95.54	95.58	-0.07	13,220
Jun 99	95.39	95.32	95.35	-0.09	6,494
Sep 99	95.16	95.12	95.13	-0.06	4,018
Dec 99	94.94	94.89	94.90	-0.07	4,945

Est. volume: 96,453. Open int.: 258,284 up 5,485.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	92.75	92.68	92.75	+0.07	60,218
Jun97	93.20	93.11	93.17	+0.06	105,807
Sep97	93.50	93.38	93.45	+0.09	48,692
Dec97	93.58	93.45	93.52	+0.11	33,395
Mar98	93.58	93.46	93.54	+0.13	20,580
Jun98	93.56	93.47	93.52	+0.13	13,372

Est. sales: 50,500. Prev. sales: 38,274
Prev. open int.: 282,064 off 2,870

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
May 97	77.15	76.30	77.05	-1.00	32,319
Jul 97	78.05	77.35	77.98	+0.81	12,451
Oct 97	78.00	77.50	78.00	-0.70	1,377
Dec 97	77.95	77.60	77.94	+0.41	15,304
Mar 98	78.70	78.35	78.60	-0.30	1,243
May 98	79.00	78.80	79.00	-0.37	462

Est. sales N.A. Thu's. sales 13,405
Thu's open int 63,795 up 505

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Close	Chge	Opint
Apr 97	54.50	53.50	54.00	+0.57	37,292
May 97	54.75	53.65	54.30	-0.66	14,851
Jun 97	54.85	53.85	54.55	-0.81	13,172
Jul 97	55.30	54.25	55.05	-0.86	12,628
Aug 97	55.95	54.90	55.75	+0.96	7,395
Sep 97	56.50	55.90	56.50	+1.01	5,073
Oct 97	56.90	56.35	56.90	-0.71	5,413
Nov 97	57.50	57.25	57.50	+0.66	4,026
Dec 97	58.55	57.75	58.55	+1.11	8,032
Jan 98	58.90	58.15	58.90	+1.11	5,086

Est. sales N.A. Thu's. sales 27,037
Thu's open int 117,883 up 2227

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Apr 97	21.37	20.80	21.16	+0.22	78,369
May 97	21.20	20.66	21.05	+0.29	60,854
Jun 97	21.00	20.50	20.87	+0.31	49,589
Jul 97	20.83	20.35	20.80	+0.39	24,839
Aug 97	20.67	20.25	20.67	-0.37	18,565
Sep 97	20.52	20.24	20.48	+0.36	14,043
Oct 97	20.43	20.17	20.43	+0.28	13,549
Nov 97	20.16	20.12	20.16	-0.08	11,636
Dec 97	20.35	20.00	20.35	+0.33	27,254
Jan 98	20.25	19.95	20.22	+0.23	15,438
Feb 98	20.25	19.94	20.25	-0.26	8,369
Mar 98	20.08	19.93	20.08	+0.10	3,278
Apr 98	20.19	19.92	20.19	+0.22	3,539

Est. sales N.A. Thu's. sales 131,060
Thu's open int 417,436 up 3130

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Apr 97	1.999	1.870	1.980		35,111
May 97	2.070	1.950	2.050		20,319
Jun 97	2.070	1.965	2.050		11,624
Jul 97	2.065	1.970	2.055		10,775
Aug 97	2.070	1.970	2.060		8,620
Sep 97	2.065	1.975	2.060		7,345
Oct 97	2.080	2.000	2.080		9,467
Nov 97	2.200	2.140	2.200		5,636
Dec 97	2.320	2.260	2.320		8,956
Jan 98	2.370	2.260	2.370		9,314
Feb 98	2.280	2.235	2.275		3,736

Est. sales N.A. Thu's. sales 30,963
Thu's open int 166,747 off 21

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Close	Chge	Opint
Apr 97	65.80	64.05	65.35	+0.87	37,172
May 97	65.35	63.80	65.00	+0.94	20,532
Jun 97	64.45	63.05	64.20	+0.97	14,276
Jul 97	63.25	62.00	63.05	+1.02	6,289
Aug 97	61.80	60.50	61.80	+1.22	4,219
Sep 97	59.90	58.80	59.90	+0.80	2,790

Est. sales N.A. Thu's. sales 28,388
Thu's open int 88,410 up 1061

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Close	Chge	Opint
Mar 97	169.25	165.50	169.00	+4.25	19,787
Apr 97	170.50	166.75	170.50	+4.50	19,144
May 97	171.75	168.00	171.75	+4.25	5,040
Jun 97	172.75	169.50	172.50	+3.50	9,379
Jul 97	173.50	171.25	173.75	+3.00	3,428
Aug 97	174.50	173.50	175.00	+2.75	1,628
Sept 97	175.75	173.00	176.25	+2.75	1,305
Oct 97	176.00	175.75	177.75	+2.75	1,436
Nov 97	176.50	176.50	178.75	+2.75	734
Dec 97	179.75	178.00	179.75	+3.00	5,832

Est. sales: 17,545. Open int.: 70,252 up 1,752

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Close	Chge	Opint
Apr 97	20.07	19.55	19.86	+0.16	43,572
May 97	19.80	19.31	19.67	+0.32	61,183
June 97	19.36	19.18	19.57	+0.30	23,298
July 97	19.50	19.07	19.48	-0.31	12,568
Aug 97	19.33	19.00	19.40	+0.29	6,152
Sep 97	19.25	18.98	19.32	+0.26	6,276
Oct 97	19.20	19.02	19.27	+0.24	4,257
Nov 97	19.06	18.94	19.22	+0.22	4,223

Est. sales: 50,100. Open int.: 176,708 off 736

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Mar 97	810.00	792.85	808.30	+7.70	161,625
Jun 97	817.40	808.70	816.00	-7.80	41,145
Sep 97	824.30	817.40	824.30	-8.50	2,595
Dec 97	826.10	826.10	826.10	-2.00	2,461

Est. sales N.A. Thu's. sales 79,446
Thu's open int 207,826 off 812

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Chge	Opint
Mar97	4404.0	4350.0	4401.0	+22.0	55,702
Jun97	4421.5	4381.0	4421.0	+22.0	16,168
Sep97	N.T.	N.T.	4446.0	+22.0	2,385

Est. sales: 12,673. Prev. sales: 20,927
Prev. open int.: 74,255 up 2,743

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge	Opint
Mar 97	2728.0	2680.0	2717.0	+13.00	39,949
Apr 97	2717.0	2690.0	2718.5	+13.00	906
Jun 97	2687.0	2658.0	2685.0	+12.50	5,432
Sep 97	2698.5	2673.0	2698.5	+13.50	7,231
Dec 97	N.T.	N.T.	2718.5	+13.50	0
Mar 98	2741.5	2741.5	2737.5	+13.00	7,979
Sep 98	N.T.	N.T.	2716.0	+13.00	1,210

Est. volume: 23,329. Open int.: 63,017 up 2,100.

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,547.80
Reuters	2,000.08	2,000.00
D.J. Futures	158.80	160.00
CRB	245.05	245.28

EGYPT

LIBERALIZATION. DEREGULATION. PRIVATIZATION.

The Egyptian economic policies rely on increased investments and greater openness to the global economy. We are building the institutions, drafting the laws, training the people, and most of all, leading a government that will abide by it, and build on it.

– President Mohamad Hosni Mubarak
Keynote address at the World Economic Forum Davos – February 2, 1997

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For further enquiries please contact:
Press and Information Department, Ministry of Foreign Affairs,
Corniche El-Nil Street, Maspero, Cairo. Tel: 20-2-574-7831 Fax 20-2-574-7248.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6960.86	7018.59	6944.70	7000.89	+56.19
Trans	2437.53	2451.63	2431.83	2447.86	+15.72
Util	226.10	227.08	225.82	226.66	+0.70
Comp	2161.12	2175.54	2156.50	2171.88	+15.30

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	936.75	928.54	929.81	933.97
Transp.	582.73	579.27	582.24	583.08
Utilities	197.55	194.47	194.88	195.54
Finance	94.69	93.89	94.14	95.05
SP 500	804.11	797.50	798.56	804.13
SP 100	781.83	774.80	776.32	779.37

NYSE

	High	Low	Last	Chg.
Composite	424.82	420.24	423.82	+3.58
Industrials	531.92	526.18	529.53	+3.35
Transp.	380.26	378.21	379.23	+1.02
Utility	269.12	266.59	268.63	+2.04
Finance	401.43	394.06	400.80	+6.74

Nasdaq

	High	Low	Last	Chg.
Composite	1322.17	1309.59	1309.59	-5.84
Industrials	1112.21	1107.83	1107.83	+0.40
Banks	1436.15	1427.07	1432.94	+6.76
Insurance	1499.35	1486.03	1499.35	+11.78
Finance	1782.57	1766.46	1780.84	+14.90
Transp.	874.82	867.97	867.97	-1.59

AMEX

	High	Low	Last	Chg.
	602.35	600.31	602.06	+1.75

Dow Jones Bond

	Close	Chg.
20 Bonds	103.25	+0.18
10 Utilities	100.09	+0.06
10 Industrials	106.41	+0.30

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MicrnT	72863	42⅜	39¾	39¾	-1
AT&T s	58968	36½	36⅛	36¼	-⅛
Compaq	43538	79¼	76	76⅜	-1⅝
HewlPk s	42322	57¼	55⅝	56¼	-1⅜
Amoco	42119	3⅛	3⅛	35⅛	-⅛
PepsiCo s	41780	32	31⅜	31⅛	-⅜
GnMotr	39721	57⅛	56⅛	56⅛	-⅞
Seagate s	39380	47⅛	45	45⅛	-⅞
RJR pfC	37484	7⅛	7⅛	7⅛	
Telmsx	37404	84⅛	82⅛	83⅛	+3⅛
WstgEl	37264	19⅛	18⅞	19⅛	+⅛
Merck	36190	94⅛	91⅞	93	+⅛
WalMart	35762	27⅛	27⅛	27⅛	
NtSemi	34105	31⅛	29⅛	29⅛	-1⅞
Allwaste	33570	9⅛	9⅛	9⅛	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Cisco	241543	55⅛	50⅞	51⅛	-3⅛
ForeSys s	140683	31	25⅛	25⅛	-5⅞
Atmel	140281	27⅛	25⅛	26⅛	-⅞
Oracle s	131607	37⅛	35⅛	35⅛	-⅛
WorldCm s	111251	24⅛	23⅛	23⅛	-⅛
CorpExp s	110220	11⅛	10⅛	10⅛	-⅛
Microchp s	108873	34⅛	28⅛	29⅛	-4⅛
Intel	107398	148	142½	143½	-1⅛
3Com	94146	35⅛	33⅛	33⅛	-1⅛
Microsft s	56933	99⅛	96⅛	96⅛	-1
Ascend	53009	56⅛	53⅛	53⅛	-2⅛
EricTel	49997	35⅛	34⅛	35⅛	+1⅛
ApldMat	46444	52⅛	50	51⅛	+1
Staples	46212	24⅛	23⅛	24⅛	+⅛
Informix	43112	16⅛	15⅛	15⅛	-

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	18011	81⅛	80⅛	80⅛	+⅛
Selfcare n	14227	10⅛	9⅛	9⅛	-1⅛
EchoBay	7605	7⅛	7	7⅛	+⅛
TWA	7011	6	5⅛	6	+⅛
TexBiotch	6668	7⅛	6⅛	6⅛	-
ViacB	6226	37⅛	37⅛	37½	-
NY Times	4834	45⅛	44½	44⅞	+⅛
Nabors	4551	18⅛	17⅛	17½	-
JTS Corp	4159	2⅛	2½	2⅛	-⅛
Hasbro	3790	44⅛	43	44⅛	+1

Trading Activity

NYSE

	Close	Prev.
Advanced	1660	1276
Declined	888	1217
Unchanged	808	849
Total issues	3356	3342
New Highs	213	145
New Lows	17	15

Nasdaq

	Noon	Prev.
Advanced	1877	1888
Declined	1493	2088
Unchanged	2370	1761
Total issues	5740	5737
New Highs	86	136
New Lows	41	116

AMEX

	Close	Prev.
Advanced	282	255
Declined	257	261
Unchanged	200	201
Total issues	739	717
New Highs	30	24
New Lows	9	6

Market Sales

	Today 4:00	Prev. cons.
NYSE	495.74	673.64
Amex	18.92	25.61
Nasdaq	579.81	641.41

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Royal Bk Scot E	b	.5625	3-14	3-31
STOCK SPLIT				
Medics Pharm 3 for 2split				
North County Bncp 2 for 1 split.				
Trenwick Group 3 for 2 split.				
INCREASED				
Chubb Corp	Q	.29	3-21	4-8
Meridian Industl	Q	.31	4-3	4-15
Nth Pittsburgh	Q	.14	4-1	4-15
Nucor Corp	Q	.10	3-31	5-12
SNC-Lavalin A g	Q	.05	3-21	4-4
REGULAR				
BEI Electron	Q	.02	3-17	3-31
Bk United Corp A	-	.14	3-17	3-26
Burnham Pacific	Q	.25	3-24	3-31
Cdn Imperial Bk g	Q	.50	3-27	4-28
Canadian Tire g	Q	.10	4-30	6-1
Caraustar Ind	Q	.14	3-21	4-8
Comml Assets	Q	.17	3-17	3-31
Consumers Water	Q	.30	5-9	5-26
Columbus Rlty	Q	.395	3-21	3-25
Eastman Chem	Q	.44	3-17	4-1
Holly Corp	Q	.12	3-21	4-4
John Alden	Q	.12	3-30	4-20
Jones Medical	Q	.02	3-24	4-1
New Am Hi Inco	M	.04	3-17	3-31
Norrell Corp	Q	.04	3-17	4-1
One Liberty	Q	.30	3-17	4-1
Potlatch corp	q	.425	5-13	6-2
RLI Corp	Q	.14	3-31	4-15
Rowe Furniture	Q	.025	3-21	4-14
Royal Bk Scot B	b	.70	3-14	3-31
Royal Bk Scot C	b	.593	3-14	3-31
Royal Bk Scot D	b	.5703	3-14	3-31
Seligman Qual	M	.0782	3-17	3-27
Seligman Select	M	.07	3-17	3-27
Unifil Corp	Q	.335	5-1	5-15
Universal Hlth	Q	.425	3-17	3-31

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

مكتبة من الأهرام

EUROPE

Renault Workers Go on Strike

It's Restructure or Die, Automaker's President Asserts

Compiled by Our Staff From Dispatches

PARIS — Workers staged one-hour strikes at Renault factories on Friday to protest at the automaker's plans to shut down a Belgian plant with 3,100 job losses and to cut 2,764 jobs in France.

After limited overnight stoppages, workers downed tools at Renault plants in Paris and elsewhere in France, with strikes throughout the day in Belgium and Spain as well.

But Louis Schweitzer, Renault's president, said Friday that the company would die unless it was restructured. He defended closing the factory in Belgium, citing weakness of the European car market and high labor charges in Belgium.

Mr. Schweitzer said on French radio that the board had agreed to reorganize the company, involving closing the factory at Vilvoorde, near Brussels.

Mr. Schweitzer implied on Friday that ways might be found of moving some people to other jobs and of finding a new use for the factory.

"This decision is necessary, in my view, for the future of Renault. If we do nothing, the company will die and that is what I want to avoid. There is rightly concern about 3,100 employees in Belgium, but thought must also be given to Renault which employs 140,000 people."

The closing has also come under fire from the European Commission in Brussels. On Friday the EC announced that the Spanish government had decided to suspend a request for approval of a $12.5 million subsidy Madrid had been planning for a Renault investment in Valladolid.

A meeting of the Renault's European works council has been set for Tuesday in Paris, a day unions are planning a further demonstration. *(Reuters, AFP)*

■ Peugeot Cuts Predicted

PSA Peugeot Citroen, France's largest carmaker, plans to cut 2,700 jobs in France this year, a union official said, Bloomberg News reported. "Peugeot is planning to do pretty much what Renault just did," said Michel Mainguy, an official of the Force Ouvriere union. "They'll announce a bunch of early retirement measures, and not replace those who leave."

Aerospatiale Posts A Profit for 1996

Bloomberg News

PARIS — Aerospatiale, the state-owned aerospace company, said Friday it had returned to profit in 1996 after four years of losses, and it predicted earnings would double in 1997 as orders rise and it benefits from cost-cutting.

Aerospatiale earned 812 million French francs ($145 million) in 1996. That contrasts to a net loss of 981 million francs in 1995 after charges for cost reductions including job cuts. Sales rose 3.3 percent to 50.9 billion francs.

The Aerospatiale chairman, Yves Michot, said he hoped the company would become publicly traded soon after its merger this year with Dassault Aviation.

The government is planning the merger to help French companies compete in a consolidating world defense and aerospace industry.

"We can be reasonably bullish on future profits," said Emmanuel Dubois-Pelerin, an analyst at Standard & Poor's in Paris. "The company is well-positioned within Airbus, and they are also very strong in space. Both these activities should see nice growth."

GKN Shares Rise as Ruling Reduces Charge on Results

Bloomberg News

LONDON — Shares in GKN PLC surged 7 percent on Friday after the company said it would take a £270 million ($435.3 million) charge — less than it had warned in December — to cover the costs of a lawsuit against its Meineke Discount Muffler Shops Inc. subsidiary.

The decision follows a ruling Thursday by Judge Robert Potter of the U.S. District Court in Charlotte, North Carolina, who said GKN must pay $601 million in damages and interest for "unfair, oppressive and deceptive" practices in managing an advertising fund set up for the benefit of franchisees.

GKN said the total damages figure would be reduced by 34 percent, to roughly $400 million because of an earlier ruling by Judge Potter, who did not specify how much the claim would be cut. Traders expressed relief that the charge, which includes legal costs, is less than the $741 million in damages plaintiffs asked for, or GKN's estimate of its top liability, about $554 million.

The charge, applied to 1996 earnings released Thursday, reduced the company's pretax profit for the year to £93 million from £363 million. That compares with £322 million in 1995.

GKN said its charge reflected the amount it would have to pay out under the ruling in addition to legal fees likely to accrue over the next 18 months. It said it would appeal the case as soon as possible.

"It was not as bad as some of the estimates," said Martin Lupton, head of trading at Dresdner Kleinwort Benson said. GKN shares surged 69 pence, to 1,019 pence in London.

GKN still has the financial strength after the ruling to take a leadership role in consolidating Europe's armored-vehicles business as defense spending falls, analysts said.

"It consumes most of their cash," Nick Cunningham, an analyst with BZW Ltd., said of the suit. "But deals can always be done if they're the right deal strategically. You can always leverage."

CK Chow, who became chief executive of the company in January, disputed the thought on Thursday that GKN's prospects would be limited by the ruling.

"With £528 million in cash on our balance sheet, it also would not affect the strategic direction for GKN." Mr. Chow said. "Even after Meineke, GKN would have a strong cash balance and would be in a much better position than most other corporations in the U.K."

Foreign Money Pours Into German Equities

Bloomberg News

FRANKFURT — Foreign investors more than doubled their holdings of German securities last year, helping drive both stock and bond markets to new records.

In 1996, foreigners poured a net 77.6 billion Deutsche marks ($45.16 billion) into German securities, almost twice the net 41.8 billion DM invested in 1995. The move into German bonds and stocks spilled over into January, with foreign investors topping up their holdings of German securities by a net 18.2 billion DM.

The yield on 10-year benchmark German bonds sank to a record low of 5.47 percent on Feb. 18, while the DAX 30-stock index rose to a record 3,364.99 points.

The rush to grab German securities is likely to slow in the next few months, analysts said. "We've had a very attractive investment climate for foreigners in the last few months," said Adolf Rosenstock, an economist at Industrial Bank of Japan. "But it's doubtful whether the bond market can keep rallying."

Germany's borrowing costs have fallen more than 1 percent since April, driven down by a bond-friendly climate of scant inflation, slow economic growth and record-low interest rates. While low yields of less than 6 percent have deterred domestic investors, buyers overseas have been happy to hold German bonds.

The sale in November of 20 billion DM of Deutsche Telekom AG shares, the country's biggest stock offer to date, also lured investors to Germany. The DAX rose by 26 percent in 1996. "Foreign activity played a large role last year," said Timo Klein, an economist at MMS International Ltd. "But I don't think the outlook is good now that we've already seen the record lows."

Mr. Klein reckons investors will be tempted back to U.S. bonds in the next few months as the dollar continues to strengthen against the Deutsche mark. German 10-year bonds currently yield 1 percent less than comparable U.S. Treasuries, the widest gap in seven years. With the dollar hovering near a 34-month high of 1.72 DM, investors will opt for a stronger currency and a higher yield, he said.

Germany had a capital-account surplus of 27.1 billion DM for all of 1996, almost half the surplus of 55.9 billion DM in 1995. The balance dipped into the red in December, when Germany exported 31.8 billion DM more capital than it imported.

The account was burdened in December by a net 5.5 billion-DM outflow of direct investment. For the whole of 1996, German companies invested 3.6 billion DM more on foreign projects than overseas companies put into Germany. "This high level of disinvestment is a very bad development," Mr. Rosenstock said. "But I think domestic investment will pick up in the course of the year and Germany will be more attractive for foreigners."

Santander Sets Brazil Price

Bloomberg News

MADRID — Banco Santander SA said Friday that it would pay a maximum of $220 million for a 51 percent stake in Banco Geral de Comercio, a Brazilian bank.

Santander, the biggest bank in Spain, had announced in January that it was negotiating the purchase with Geral's owner, Grupo Camargo Correa. It provided details of the final agreement Friday.

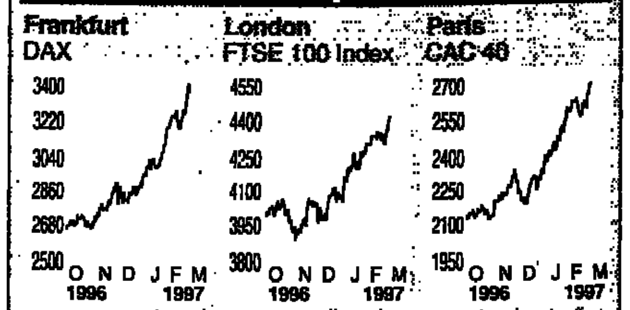
Santander will also take a 51 percent stake in Banco Geral's affiliated companies, which operate in insurance, fund management and brokerage.

Santander will take management control of the bank — as has been its policy in other Latin American investments — and invest through capital increases.

Geral is Santander's first banking purchase in Brazil, Latin America's biggest banking market. The bank has consolidated assets of $1.2 billion and consolidated net worth of $154 million.

Santander shares closed Friday at 9,690 pesetas ($66.65), up 20.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	764.96	764.67	+0.04
Brussels	BEL-20	2,185.81	2,193.53	-0.35
Frankfurt	DAX	3,376.20	3,417.60	-1.21
Copenhagen	Stock Market	545.74	546.06	-0.06
Helsinki	HEX General	2,989.31	2,962.28	+0.91
Oslo	OBX	686.58	684.82	+0.29
London	FTSE 100	4,420.30	4,399.30	+0.48
Madrid	Stock Exchange	473.95	473.37	+0.12
Milan	MIBTEL	12,230.00	12,064.00	+1.38
Paris	CAC 40	2,708.28	2,698.92	+0.35
Stockholm	SX 16	2,982.90	2,945.16	+1.28
Vienna	ATX	1,244.01	1,250.36	-0.51
Zurich	SPI	2,938.44	2,925.65	+0.44

Source: Telekurs — International Herald Tribune

Very briefly:

- **The European Federation of Pharmaceutical Industries Associations** has called for a prohibition of cloning of humans but said it was concerned about the implications of a general ban on cell-cloning technology.
- **Spain** has approved the sale of the state's remaining 10 percent stake in **Repsol SA** by April 29. The sale of the oil company shares is expected to net about 150 billion pesetas ($1.03 billion) for the Treasury.
- **The European Commission** is considering filing a complaint with the **World Trade Organization** unless Washington alters legislation it says restricts imports of European textile goods. The bill requires some imports to be labeled as products of the country where the material or pieces originated from, even if they were stitched in the European Union.
- **Italy** is prepared to call for a supplementary budget of up to 18 trillion lire ($10.54 billion) if necessary to lower the budget deficit to the Maastricht treaty's maximum of 3 percent of gross domestic product, Deputy Prime Minister Walter Veltroni said, adding that the timing of the minibudget would depend on first-quarter economic data.
- **Deutsche Telekom AG** plans to invest 1.2 billion Deutsche marks ($698.3 million) a year in research and development along with 15 billion to 20 billion DM telecommunications purchasing, Chief Executive Ron Summer said at a Bavarian congress on technology.
- **Incentive AB's** 1996 pretax profit rose 12 percent to 5.23 billion kronor ($681.2 million) after the sale of one-third of operations. Fourth-quarter operating profit at the Swedish holding company increased 18 percent, to 682 million kronor as sales rose in North America and Asia.
- **Accor** has sold 11.5 percent of **Compass Group PLC**, raising about £255.5 million ($411.9 million), said **Kleinwort Benson Securities**, which coordinated the sale. The French hotel operator still owns 10 percent of the British catering company.

AFX, Reuters, Bloomberg, AFP

WORLD STOCK MARKETS

Friday, March 7
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 764.96 Previous: 764.67

	High	Low	Close	Prev.
ABN-AMRO	140.20	136.60	138.60	140.20
Aegon	133	129.30	132.90	129.80
Ahold	141.50	136.50	139.10	137.40
Akzo Nobel	281	279.50	279.70	279.20
Boon Co.	89.20	88.30	88.40	89.70
Bols Wess cva	36.50	35.50	36.20	36.20
CSM cva	114.70	112.50	113.90	114.40
Dordtsche Pet	363.90	359	361.50	364.40
DSM	199.50	194.20	197.20	199.90
Elsevier	32.30	31.60	32.10	32
Fortis Amev	78	76.10	77.90	77.20
Getronics	64.40	62.50	63.20	64
G-Broc cva	64.40	63	63.80	64.30
Hagemeyer	167	165	165.90	166.50
Heineken	344.50	333	344.50	340.90
Hoogovens cva	94	91.20	93	92.60
Hunt Douglas	162	158	161.70	161.80
ING Group	78.20	76.60	77.90	77.60
KLM	59.20	57.70	59.20	58.80
KNP BT	43.90	43.20	43.70	43.50
KPN	67.60	66.60	67.10	67
Nedlloyd Gp	57.30	56.30	57	56.50
Nutricia	300.50	295.80	300	298.30
Oce Grinten	244.60	240.20	244	242
Philips Elec	91.90	90.30	90.80	93.70
Polygram	95	92.50	94.90	93.70
Randstad Hdg	152.10	148.60	149.50	151.50
Robeco	165.70	165.10	165.20	164.50
Rodamco	60.70	60.10	60.70	60.30
Rolinco	170.70	170.50	170.50	169.20
Rorento	110.80	110.50	110.80	110.50
Royal Dutch	342	337	341.80	343.50
Unilever cva	357.40	352.30	356	357.10
Vendex Intl	88.10	87.10	88	87.90
VNU	41.50	40.30	41.50	41
Wolters Kl cva	255	251.50	254.90	253.60

Bangkok
SET index: 691.45 Previous: 676.65

	High	Low	Close	Prev.
Adv Info Svc	232	228	232	228
Bangkok Bk F	224	212	216	212
Krung Thai Bk	35	33.25	35	33.50
PTT Explor	330	308	330	308
Siam Cement F	644	628	640	628
Siam Com Bk F	134	129	134	130
Telecomasia	40.25	38	39.75	38.25
Thai Airways	39.25	37	39.25	36.75
Thai Farm Bk F	153	144	153	148
Utd Comm	158	157	158	157

Market Closed

The Bombay Stock market was closed Friday for a holiday.

Brussels
BEL-20 index: 2185.81 Previous: 2193.53

	High	Low	Close	Prev.
Almanij	13500	13475	13500	13500
Barco Ind	5900	5820	5870	5900
BBL	8150	8000	8090	8220
CBR	3370	3320	3370	3340
Colruyt	15200	15025	15175	15225
Delhaize Lion	2065	2025	2060	2065
Electrabel	8220	8130	8180	8220
Electrafina	3475	3410	3475	3425
Fortis AG	6450	6140	6250	6450
Gevaert	2520	2480	2500	2510
GBL	5200	5140	5200	5200
Gen Banque	13100	12600	13100	13000
Kredietbank	12925	12650	12900	12900
Petrofina	12750	12575	12725	12750
Powerfin	5180	5100	5120	5140
Royale Belge	8400	8260	8400	8360
Soc Gen Belg	2900	2885	2895	2890
Solvay	21200	20950	21000	21100
Tractebel	15475	15275	15400	15500
UCB	94600	94200	94500	94800

Copenhagen
Stock index: 545.74 Previous: 546.06

	High	Low	Close	Prev.
BG Bank	294	289	292	291
Carlsberg B	408	403	403	406
Codan Fors	962	950	956	960
Danisco	406	401	403	404
Den Danske Bk	602	594	598	600
D/S Svendbg B	269336	265000	265000	268000
D/S 1912 B	188000	186000	188000	189000
FLS Ind B	855	839	845	850
Kob Lufthavne	705	679	700	685
Nvo Nordisk B	685	674	679	684
Sophus Ber B	875	866	870	878
Tele Danmk B	356.36	350	355	354
Tryg Baltica	386	379	385	382
Unidanmark A	360	349	358	350

Frankfurt
DAX: 3376.20 Previous: 3417.60

	High	Low	Close	Prev.
AMB B	1180	1165	1165	1160
Adidas	167	166.50	167	165.50
Allianz Hdg	3415	3382	3382	3440
Altana	1420	1402	1419	1420
Bk Berlin	33.40	33.15	33.40	33.60
BASF	63.90	63.60	63.64	65
Bayer Hypo Bk	50.65	50.45	50.65	51.45
Bay Vereinsbank	67.05	61.85	62	62.30
Bayer	72.90	72.30	72.65	73.99
Beiersdorf	93	92	93	93
Bewag	472	471	472	473
BMW	1715	1200	1210	1193
CKAG Colonia	164	160	162	164
Commerzbank	44.20	43.80	44.20	44.45
Daimler Benz	129.60	128.85	129.60	131.60
Degussa	744	735	739	758
Deutsche Bank	91.60	91.15	91.50	92.65
Deut Telekom	33.84	33.30	33.37	34.20
Dresdner Bank	57.90	56.50	57.67	57.15
Fresenius	365	360	364	381
Fresenius Med	162.50	159	159.50	168
Fried. Krupp	287	283	284.50	290
Gehe	115.80	113	113.30	116
Heidelbg Zmt	145.80	145	145	146
Henkel pfd	99.50	99	99.20	100
HEW	482	482	0.00	0.00
Hochtief	75	73.50	73.50	75.30
Hoechst	78.40	77.80	77.80	77.16
Karstadt	604	573	604	587
Linde	1155	1145	1149	1175
Lufthansa	24.55	23.95	24.07	24.50
MAN	476.50	465.50	467	477.50
Mannesmann	682	673	675	687
Metallgesellschaft	36.60	36	36.55	36.95
Metro	161	154.50	161	157.30
Munch Rueck R	4390	4300	4300	4435
Preussag	436	431	433	441
Rheinelektra	1260	1249	1249	1260
RWE	77.80	77.10	77.57	78.85
SAP pfd	271.50	268.20	268.50	273.50
Schering	161	158.20	160.50	161
SGL Carbon	231.50	228	231	228
Siemens	86.75	86.23	86.60	87.05
Springer (Axel)	1295	1295	0.00	0.00
Suedzucker	835	813	830	802
Thyssen	353.70	349.50	352.70	355.80
Veba	99.50	98	98.30	100.05
VEW	505	504	504	506
Viag	766	753	760	774.50
Volkswagen	871	859	867.50	878

Helsinki
HEX General index: 2989.31 Previous: 2962.28

	High	Low	Close	Prev.
Enso A	45.30	44.50	44.50	44.80
Huhtamaki I	239	233	237	233.90
Kemira	57	56.50	56.70	56.90
Kesko	74.50	74.20	74.50	75
Merita A	18.90	18.40	18.90	18.40
Metra B	312	303	307	302
Metsa-Serla B	43.50	42.50	43	42.50
Neste	135	133.50	134	135
Nokia A	321	313.10	319	314.50
Orion-Yhtymae	188	185	188	187
Outokumpu A	96	93	95	93
UPMKymmene	121.90	115	121.50	118
Valmet	91.70	91.20	91.50	92

Hong Kong
Hang Seng: 13337.35 Previous: 13416.36

	High	Low	Close	Prev.
Amoy Props	9.35	9.20	9.25	9.30
Bk East Asia	27.50	27	27.05	27.40
Cathay Pacific	12	11.90	11.95	11.85
Cheung Kong	75.75	74.25	74.50	75.75
CK Infrastruct	21.70	21.40	21.55	21.55
China Light	36.10	35.50	35.60	36.10
Citic Pacific	40.30	39.70	40.20	40
Dao Heng Bk	39.40	38.10	38.10	39.40
First Pacific	11.40	11.20	11.30	11.40
Hang Lung Dev	15.95	15.60	15.90	15.60
Hang Seng Bk	84.75	82.25	84	83
Henderson Inv	8.80	8.70	8.75	8.70
Henderson Ld	69.75	68.50	69	69.75
HK China Gas	15.05	14.95	15	15
HK Electric	26.75	26.50	26.70	26.55
HK Telecomm	14.10	13.95	14	14.10
Hopewell Hdgs	4.58	4.45	4.48	4.58
HSBC Hdgs	191	188.50	190	191
Hutchison Wh	58.50	58	58.50	58.50
Hysan Dev	26.40	26.15	26.15	26.15
Johnson El Hdg	20.50	20.45	20.45	20.40
Kerry Props	20.05	19.90	19.95	20
New World Dev	47.30	46.30	46.60	47.40
Oriental Press	3.55	3.43	3.48	3.53
Pearl Oriental	5.95	5.80	5.85	5.90
SHK Props	90	88.50	89	90.75
Shun Tak Hdgs	5.55	5.50	5.50	5.55
Sino Land Co.	8.75	8.60	8.65	8.70
Sth China Post	7.10	6.95	7.10	6.95
Swire Pac A	66.75	65.75	66.50	66.75
Wharf Hdgs	34	33.50	33.50	34
Wheelock	20.50	19.40	19.85	20.50

Jakarta
Composite index: 683.87 Previous: 683.11

	High	Low	Close	Prev.
Astra Intl	6025	5975	6025	6050
Bk Intl Indon	1925	1850	1875	1925
Bk Negara	1575	1475	1500	1575
Gudang Garm	10800	10600	10650	10600
Indocement	3325	3275	3300	3275
Indofood	5300	5200	5300	5175
Indosat	6700	6650	6650	6700
Sampoerna HM	12075	11700	11900	11700
Semen Gresik	6475	6400	6425	6500
Telekomunikasi	4050	4000	4050	4000

Johannesburg
All Market: 7061.93 Previous: 7084.18

	High	Low	Close	Prev.
Amalgamtd Bks	27.50	27	27.05	27.40
AngloAm Coal	306	306	306	306
AngloAm-Corp	275	270	271	275.50
AngloAm Gold	332	330.50	330.50	330
AngloAm Ind	174.25	174	174	174.25
AVMIN	19	18	18	19
Barlow	47.50	46.55	47	47
C.G. Smith	26.50	26.25	26.40	26.25
De Beers	156.50	155.50	156.50	156
Driefontein	46	45.05	45.60	46.70
Fst Natl Bk	28.10	27.75	27.90	28
Gencor	19.40	19.15	19.20	19.35
GFSA	122	121	122	123
Imperial Hdgs	55	54	54.25	55
Ingwe Coal	27.60	27.50	27.50	27.50
Iscor	3.55	3.48	3.49	3.53
Johnnies Indl	58.75	57.75	57.75	58.50
Liberty Hdgs	333.75	320	329.75	336
Liberty Life	126.50	124.50	125.25	127.50
LibLife Strat	15.40	15.10	15.15	15.25
Minorco	105.50	104.50	104.75	105.50
Nampak	19.10	19	19	19.20
Nedcor	81.75	81.25	81.50	81.50
Rembrandt Gp	45.75	44	44.50	45.75
Richemont	62	61	61	62.25
Rust Platinum	75.50	72.50	75.50	72
SA Breweries	134.75	134	134	134.25
Samancor	54.75	54	54.75	54
Sasol	51.25	50.50	51.25	50.75
SBIC	185.25	185	185.25	185
Tiger Oats	76	75.50	76	75.50

Kuala Lumpur
Composite: 1251.21 Previous: 1249.84

	High	Low	Close	Prev.
AMMB Hdgs	23.40	22.90	23.30	23
Genting	17	16.70	16.90	16.60
Mal Banking	29.25	29	29.25	29
Mal Intl Ship F	6.30	6.05	6.10	6.30
Petronas Gas	9.15	9	9.15	9
Proton	N.T.	N.T.	N.T.	16
Public Bk	5.55	5.55	5.55	5.45
Renong	4.44	4.34	4.36	4.42
Resorts World	11.50	11.30	11.40	11.40
Rothmans PM	25.75	25.50	25.50	25.50
Sime Darby	9.45	9.35	9.40	9.50
Telekom Mal	19.50	19.30	19.40	19.40
Tenaga	12.20	12	12.10	12
Utd Engineers	22.30	22	22	22.20
YTL	14	13.80	14	13.80

London
FT-SE 100: 4420.30 Previous: 4399.30

	High	Low	Close	Prev.
Abbey Natl	8.71	7.56	7.80	7.76
Allied Domecq	4.58	4.49	4.52	4.51
Anglian Water	6.58	6.53	6.54	6.56
Argos	6.80	6.73	6.76	6.81
Asda Group	1.11	1.10	1.11	1.11
Assoc Br Foods	6.54	4.86	4.89	4.86
BAA	5.42	5.35	5.35	5.39
Barclays	11.27	11.08	11.15	11.10
Bass	8.57	8.43	8.48	8.55
BAT Ind	5.55	5.44	5.48	5.48
Bank Scotland	3.55	3.46	3.50	3.52
Blue Circle	4.24	4.12	4.13	4.16
BOC Group	10.34	10.25	10.29	10.32
Boots	6.80	6.68	6.78	6.72
BPB Ind	3.50	3.40	3.46	3.49
Brit Aerosp	13.58	13.45	13.54	13.45
Brit Airways	6.67	6.55	6.60	6.64
BG	1.76	1.72	1.74	1.74
Brit Land	5.40	5.37	5.39	5.38
Brit Petm	7.15	7	7.13	7.04
BSkyB	6.25	5.95	6.18	6.22
Brit Steel	1.57	1.54	1.56	1.55
Brit Telecom	4.36	4.24	4.29	4.32
BTR	2.79	2.59	2.75	2.61
Burmah Castrol	10.26	10.15	10.23	10.20
Burton Gp	1.57	1.54	1.55	1.56
Cable Wireless	5.12	4.98	5.11	5.02
Cadbury Schw	5.45	5.35	5.38	5.38
Carlton Comm	5.37	5.21	5.30	5.38
Comml Union	7.41	7.21	7.30	7.37
Compass Gp	7.25	7	7.07	7.23
Courtaulds	3.71	3.63	3.64	3.73
Dixons	5.32	5.24	5.31	5.28
Electrocomponents	4.30	4.19	4.29	4.20
EMI Group	11.78	11.65	11.78	11.71
Energy Group	5.38	5.22	5.27	5.29
Enterprise Oil	6.41	6.35	6.36	6.34
Fam Colonial	1.62	1.60	1.62	1.62
Genl Accident	8.59	8.48	8.52	8.55
GEC	3.86	3.79	3.80	3.86
GKN	10.25	9.58	10.19	9.50
Glaxo Wellcome	10.99	10.47	10.88	10.48
Granada Gp	9.65	9.47	9.63	9.54
Grand Met	4.80	4.68	4.71	4.73
GRE	2.89	2.82	2.86	2.82
Greenalls Gp	5.62	5.53	5.55	5.57
Guinness	4.85	4.31	4.82	4.77
GUS	6.58	6.48	6.54	6.54
Hays	5.29	5.24	5.26	5.27
HSBC Hldgs	16.22	15.28	15.56	15.44
ICI	7.61	7.35	7.36	7.50
Impl Tobacco	4.18	4.15	4.15	4.16
Kingfisher	6.95	6.78	6.88	6.83
Ladbroke	2.45	2.37	2.44	2.34
Land Sec	8.02	7.90	7.94	7.96
Lasmo	2.44	2.38	2.43	2.40
Legal Genl Grp	4.17	4.03	4.16	4.05
Lloyds TSB Gp	5.33	5.10	5.16	5.29
LucasVarity	2.11	2.05	2.06	2.10
Marks Spencer	4.92	4.85	4.87	4.88
MEPC	4.92	4.83	4.83	4.85
Mercury Asset	14.16	14	14.20	14.07
National Grid	2.14	2.12	2.13	2.14
Natl Power	5.07	5	5.03	5.06
NatWest	7.71	7.40	7.43	7.50
Next	6.21	6.11	6.21	6.15
Orange	2.14	2.12	2.12	2.12
P&O	6.79	6.68	6.69	6.76
Pearson	7.88	7.71	7.83	7.86
Pilkington	1.48	1.44	1.47	1.46
PowerGen	6.56	5.48	6.20	6.25
Premier Farnell	4.97	4.88	4.93	4.91
Prudential	6	5.75	5.98	5.83
Railtrack PP	5.01	4.48	4.92	4.86
Rank Group	4.54	4.32	4.43	4.34
Reckitt Colm	8.26	8.03	8.05	8.22
Redland	3.76	3.62	3.71	3.62
Reed Intl	11.89	11.68	11.89	11.75
Rentokil Initial	4.56	4.52	4.52	4.54
Reuters Hdgs	6.60	6.43	6.43	6.41
Rexam	3.38	3.27	3.35	3.29
RMC Group	10.17	9.96	10.16	10
Rolls Royce	2.60	2.55	2.57	2.55
Royal Bk Scot	6.07	5.88	5.92	6.04
RTZ reg	9.63	9.50	9.60	9.55
Royal & Sun All	4.96	4.83	4.88	4.95
Safeway	3.68	3.64	3.66	3.66
Sainsbury	3.20	3.14	3.17	3.18
Schroders	17.49	17.07	17.46	17.10
Scot Newcastle	6.75	6.64	6.65	6.73
Scot Power	3.69	3.62	3.62	3.66
Securicor	3.33	3.28	3.33	3.31
Severn Trent	7.35	7.25	7.32	7.30
Shell Transp R	10.85	10.70	10.82	10.79
Siebe	9.81	9.60	9.69	9.68
Smith Nephew	1.85	1.82	1.84	1.84
SmithKline	9.49	9.16	9.31	9.24
Smiths Ind	7.97	7.91	7.93	7.92
Sthern Elec	7.95	7.80	7.92	7.92
Stagecoach	7.60	7.33	7.50	7.35
Stand Charter	9.03	8.91	8.99	8.93
Tate & Lyle	4.42	4.34	4.39	4.37
Tesco	3.48	3.37	3.46	3.40
Thames Water	6.93	6.85	6.90	6.90
3i Group	5.24	5.20	5.21	5.23
TI Group	5.53	5.38	5.48	5.51
Tomkins	2.87	2.82	2.82	2.84
Unilever	15.70	15.55	15.57	15.63
Utd Assurance	5.43	5.37	5.38	5.38
Utd News	7.40	7.30	7.34	7.28
Utd Utilities	6.70	6.63	6.68	6.70
Vendome Lx uts	5.32	5.13	5.32	5.18
Vodafone	2.99	2.96	2.97	3
Whitbread	8.05	7.98	8.03	8.04
Williams Hdgs	3.35	3.25	3.31	3.25
Wolseley	4.98	4.92	4.92	4.99
WPP Group	2.63	2.56	2.61	2.55
Zeneca	18.86	0.19	18.81	18.70

Madrid
Bolsa index: 480.89 Previous: 473.37

	High	Low	Close	Prev.
Acerinox	20890	20270	20890	20500
ACESA	1710	1670	1700	1680
Aguas Barcelon	5470	5330	5360	5430
Argentaria	6280	6120	6250	6140
BBV	8580	8360	8580	8380
Banesto	1105	1085	1100	1095
Bankinter	19390	19100	19300	19280
Bco Centro Hisp	3895	3840	3895	3865
Bco Exterior	2765	2760	2765	2755
Bco Popular	26800	26600	26790	26600
Bco Santander	9820	9600	9820	9670
CEPSA	4350	4305	4320	4340
Continente	2520	2465	2520	2500
Corp Mapfre	7950	7750	7750	7850
Endesa	9100	8700	9100	8730
FECSA	1305	1245	1300	1255
Gas Natural	32100	31440	31710	31600
Iberdrola	1610	1535	1610	1540
Pryca	2710	2665	2670	2690
Repsol	5920	5770	5910	5740
Sevillana Elec	1350	1295	1350	1305
Tabacalera	7200	6820	7170	6850
Telefonica	3445	3375	3440	3420
Union Fenosa	1180	1125	1180	1145
Valenc Cement	1595	1550	1585	1540

Manila
PSE index: 3286.45 Previous: 3279.82

	High	Low	Close	Prev.
Ayala B	29.50	29.50	29.50	29.50
Ayala Land	30.50	30	30.50	30
Bk Philip Isl	182	180	182	183
C&P Homes	13.50	13.25	13.50	13.50
Manila Elec A	121	121	121	121
Metro Bank	695	680	685	695
Petron	10.75	10.50	10.50	10.50
PCIBank	382.50	380	382.50	380
Phil Long Dist	1600	1570	1595	1580
San Miguel B	92	90.50	91.50	90.50
SM Prime Hdg	7.90	7.90	7.90	7.90

Mexico
Bolsa index: 3818.16 Previous: 3806.96

	High	Low	Close	Prev.
Alfa A	44.70	44.45	44.45	44.50
Banacci B	19.12	18.20	18.20	18.60
Cemex CPO	30.80	30.10	30.10	30.35
Cifra C	12.60	12.36	12.38	12.46
Emp Moderna	41.70	41.10	41.65	41.10
Gpo Carso A1	45.70	44.75	44.80	45.00
Gpo F Bcomer	1.92	1.89	1.89	1.91
Gpo Fin Inbursa	27.20	27.15	27.15	27.20
Kimb Clark Mex	165.80	164.70	165.60	164.70
Televisa CPO	107.00	105.00	105.70	104.90
TelMex L	15.94	15.64	15.80	15.70

Milan
MIB Telematico: 12230.00 Previous: 12064.00

	High	Low	Close	Prev.
Alleanza Assic	12740	12375	12605	12335
Bca Comm Ital	3475	3435	3450	3460
Bca Fideuram	4680	4540	4680	4600
Bca di Roma	1283	1255	1283	1269
Benetton	21000	20250	20900	20215
Credito Italiano	2290	2220	2275	2265
Edison	9835	9670	9820	9670
ENI	8680	8500	8680	8585
Fiat	5525	5400	5485	5505
Generali Assic	31150	30450	31000	30550
IMI	15350	14930	15295	15140
INA	2295	2235	2295	2235
Italgas	6100	5890	5990	6080
Mediaset	7195	7080	7140	7150
Mediobanca	11560	11235	11530	11300
Montedison	1266	1243	1264	1253
Olivetti	630	622	628	627
Parmalat	2385	2305	2325	2365
Pirelli	3710	3560	3710	3550
RAS	15585	15355	15585	15380
Rolo Banca	18450	18215	18450	18190
S Paolo Torino	11980	11800	11975	11860
Stet	8060	7745	8050	7710
Telecom Italia	4435	4315	4400	4290
TIM	4510	4355	4480	4390

Montreal
Industrials index: 2990.82 Previous: 2978.69

	High	Low	Close	Prev.
Bce Mob Com	43	42¾	43	42½
Cdn Tire A	25.35	25	25¼	25.10
Cdn Util A	32½	32.15	32½	32.20
CT Finl Svc	32	31.75	21	31.75
Gaz Metro	17.30	17.20	17.30	17.20
Gt-West Lifeco	22.85	22.05	22¼	22.55
Imasco	37.90	37.85	37.85	37.80
Investors Grp	25.80	25½	25.80	25.60
Loblaw Cos	16.45	16.30	16.35	16.35
Natl Bk Canada	16.45	16.15	16.40	16.20
Power Corp	29¾	28.90	29¾	29
Power Finl	27	26.70	26.80	26.70
Quebecor B	25½	25.30	25.35	25.45
Rogers Comm B	9.20	9.10	9.20	9.15
Royal Bk Cda	60¼	59	60½	59.20

Oslo
OBX index: 686.58 Previous: 684.82

	High	Low	Close	Prev.
Aker A	180	176	176	177
Bergesen Dy A	147.50	145.50	147	146
Christiania Bk	25.70	25.20	25.30	25.20
Den norske Bk	30.60	30.30	30.60	30.30
Elkem	117	115	116	116.50
Hafslund A	49	48	48	49
Kvaerner Asa	367	353	365	357
Norsk Hydro	344.50	338	340.50	343
Norske Skog A	215	213	214	214.50
Nycomed A	109	107	109	108
Orkla Asa A	550	542	545	545
Petm GeoSvc	310	305	309	315
Saga Petm A	116.50	114	116	116
Schibsted	140	137.50	138	138
Transocean Off	408	406	406	416
Storebrand Asa	48.50	46	47.70	46.80

Paris
CAC-40: 2708.28 Previous: 2698.92

	High	Low	Close	Prev.
Accor	828	795	825	795
AGF	217.40	210.10	216.10	212.60
Air Liquide	929	911	923	934
Alcatel Alsth	654	630	651	642
Axa-UAP	378	374.10	376.50	378.30
Bancaire	798	768	783	793
BIC	927	912	919	924
BNP	279	259.70	268.90	272.20
Canal Plus	1079	1060	1070	1054
Carrefour	3460	3415	3429	3469
Casino	278	270.30	270.30	276
CCF	278	270	278	273
Cetelem	758	731	740	745
Christian Dior	858	839	850	858
CLF-Dexia Fran	603	589	600	604
Credit Agricole	1307	1300	1307	1280
Danone	939	922	931	942
Elf-Aquitaine	578	561	576	567
Eridania BS	1000	959	1000	969
Eurodisney	10.45	10.35	10.35	10.45
Eurotunnel	7.10	6.95	7.05	7.05
Gen. Eaux	909	793	805	806
Havas	450.90	445.20	449.60	449.90
Imetal	864	832	860	832
Lafarge	382	373.70	380	381
Legrand	1090	1046	1088	1054
L'Oreal	2046	1974	2030	2005
LVMH	1420	1382	1391	1410
Lyon. Eaux	610	601	605	607
Michelin B	365	358	360.50	364
Paribas A	398.10	393.60	395.60	394.50
Pernod Ricard	332	326.30	329	333
Peugeot Cit	660	647	654	660
Pinault-Print	2378	2311	2350	2405
Promodes	1918	1866	1899	1780
Renault	140.50	136.20	139.70	139.80
Rexel	1810	1772	1810	1792
Rh-Poulenc A	203.50	200.60	201.40	203.30
Sanofi	574	555	568	572
Schneider	311.70	301.10	309.70	307.40
SEB	1005	987	1005	995
SGS Thomson	419.90	401.50	419.90	402
Ste Generale	697	681	695	687
Sodexho	2976	2910	2935	2945
St Gobain	921	877	905	889
Suez	294.90	287	294.50	291
Synthelabo	596	575	590	597
Thomson CSF	198.60	191.90	198.30	194
Total B	485	472.10	483	470
Usinor	91	89.10	90.50	92
Valeo	385.30	373	374.10	384.30

São Paulo
Bovespa index: 9156.24 Previous: 9125.57

	High	Low	Close	Prev.
Bradesco Pfd	9.00	8.90	8.90	9.00
Brahma Pfd	735.00	725.00	730.00	720.00
Cemig Pfd	46.30	45.50	45.80	45.90
CESP Pfd	59.00	58.00	58.90	57.70
Copel	15.050	14.90	15.02	14.80
Eletrobras	472.00	467.00	470.00	469.00
Itaubanco Pfd	546.00	537.00	546.00	541.01
Light Servicios	460.01	459.00	460.00	459.94
Lightpar	315.00	311.00	314.00	315.00
Petrobras Pfd	220.00	217.00	218.50	218.00
Paulista Luz	149.00	144.00	149.00	145.00
Sid Nacional	37.70	37.50	37.50	37.90
Souza Cruz	9.30	9.15	9.30	9.20
Telebras Pfd	110.00	106.50	108.50	108.00
Telemig	161.00	159.97	161.00	162.00
Telerj	156.50	155.50	155.50	156.50
Telesp Pfd	297.00	294.50	295.99	293.00
Unibanco	42.00	41.50	42.00	41.98
Usiminas Pfd	1.22	1.20	1.22	1.22
CVRD Pfd	26.60	26.20	26.50	26.60

Seoul
Composite index: 681.22 Previous: 678.11

	High	Low	Close	Prev.
Dacom	106000	105000	105500	105000
Daewoo Heavy	4300	4200	4200	4200
Hyundai Eng.	21300	20500	20500	20500
Kia Motors	15300	15000	15100	14800
Korea El Pwr	25400	25100	25200	25000
Korea Exch Bk	6100	5800	5800	6020
Korea Mob Tel	487000	475000	476000	480000
LG Semicon	27200	26500	27000	26800
Pohang Iron St	42500	41700	42000	42000
Samsung Display	43000	41900	42900	42200
Samsung Elec	56000	54700	55200	54500
Shinhan Bank	10800	10500	10500	10700

Singapore
Straits Times: 2178.27 Previous: 2179.93

	High	Low	Close	Prev.
Asia Pac Brew	7.75	7.70	7.70	7.70
Cerebos Pac	10.40	10.40	10.40	10.50
City Devlts	14.30	14	14.20	14.20
Cycle Carriage	15	14.70	14.80	15
Dairy Farm Intl *	0.78	0.77	0.77	0.77
DBS foreign	18.50	18.20	18.20	18
DBS Land	5.70	5.50	5.70	5.50
Keppel Fels	5.75	5.65	5.75	5.65
Fraser & Neave	12.60	12.40	12.50	12.30
HK Land *	2.86	2.84	2.86	2.88
Jard Mathesn *	6.10	6.05	6.10	6.10
Jard Strategic *	3.28	3.26	3.28	3.28
Keppel	10.30	10.10	10.30	10.20
Keppel Bank	4.20	4.18	4.18	4.20
OCBC foreign	19	18.70	18.70	18.80
OS Union Bk F	11	10.80	10.90	11
Parkway Hdgs	6.20	6.15	6.20	6.15
Sembawang	7.65	7.60	7.65	7.60
Sing Air foreign	12.50	12.30	12.50	12.30
Sing Land	8.25	8	8.15	7.95
Sing Press F	28.20	27.40	27.50	28
Sing Tech Ind	3.94	3.90	3.94	3.90
Sing Telecomm	3.24	3.20	3.24	3.24
Keppel Land	4.80	4.76	4.76	4.76
Tat Lee Bank	3.56	3.44	3.44	3.50
Utd Industrial	1.22	1.20	1.21	1.21
Utd OSea Bk F	16	15.80	15.90	15.90
Wing Tai Hdgs	4.60	4.50	4.50	4.60

*: In U.S. dollars.

Stockholm
SX 16 index: 2982.90 Previous: 2945.16

	High	Low	Close	Prev.
AGA B	107	105	106	105
ABB A	892	883	888	890
AssiDoman	212	201	203	210
Astra A	371.50	367	370	370
Atlas Copco A	187.50	185	186	186.50
Autoliv	348.50	346	346.50	349
Electrolux B	493	484	493	484
Ericsson B	271.50	258.50	270.50	260
Hennes B	1075	1055	1056	1061
Incentive A	536	530	535	536
Investor B	359	348	359	348.50
MoDo B	253	250.50	250.50	251.50
Nordbanken	274	267	273.50	267.50
Pharm/Upjohn	295.50	290	294	293
Sandvik B	194	191	193	191
Scania B	195	193	194	194.50
SCA B	175	170.50	175	172
S-E Banken A	81.50	80	81	81.50
Skandia Fors	248	239.50	241	239
Skanska B	343	338	342	342
SKF B	196	192	194.50	190.50
Sparbanken A	153.50	147	153	150
Stadshypotek A	190.50	190	190	190
Stora A	110	107	110	108.50
Sv Handles A	216	213	214.50	214.50
Volvo B	191	188.50	190.50	190.50

Sydney
All Ordinaries: 2438.60 Previous: 2447.40

	High	Low	Close	Prev.
Amcor	8.40	8.18	8.35	8.35
ANZ Bkng	7.80	7.70	7.72	7.80
BHP	17.01	16.83	17	17.05
Boral	3.91	3.67	3.81	3.67
Brambles Ind.	21.83	21.68	21.77	21.70
CBA	13.06	12.82	13.06	12.95
CC Amatil	11.51	11.40	11.45	11.50
Coles Myer	5.90	5.84	5.89	5.85
Comalco	6.70	6.65	6.92	6.70
CRA	19.02	18.80	18.92	19
CSR	4.82	4.66	4.81	4.67
Fosters Brew	2.67	2.64	2.66	2.67
Goodman Fld	1.64	1.61	1.63	1.60
ICI Australia	12.25	12.20	12.25	12.20
Lend Lease	23.55	22.90	23.30	23.55
MIM Hdgs	1.75	1.74	1.75	1.77
Nat Aust Bank	16.33	15.95	15.95	16.36
Nat Mutual Hdg	1.93	1.89	1.93	1.93
News Corp	6.74	6.62	6.67	6.75
Pacific Dunlop	3.36	3.25	3.35	3.31
Pioneer Intl	4.20	4.04	4.20	4.06
Pub Broadcast	6.52	6.47	6.48	6.50
St George Bank	7.48	7.36	7.40	7.46
WMC	8.22	8.15	8.21	8.22
Westpac Bkng	7.15	7.01	7.05	7.13
Woodside Pet	9.36	9.13	9.16	9.22
Woolworths	3.62	3.55	3.61	3.58

Taipei
Stock Market index: 8162.68 Previous: 8081.80

	High	Low	Close	Prev.
Cathay Life Ins	180	179	180	179
Chang Hwa Bk	185	183	183	183
Chiao Tung Bk	94	92.50	93	93.50
China Develpmt	112	111	111.50	110
China Steel	27.10	26.30	26.70	26.20
First Bank	187	185	185	185
Formosa Plastic	76.50	75.50	76	74.50
Hua Nan Bk	146	145	145	145
Intl Comm Bk	84.50	83.50	83.50	83.50
Nan Ya Plastics	69	68	68.50	67.50
Shin Kong Life	111.50	110	110.50	111
Taiwan Semi	65.50	64.50	65	65.50
Tatung	58	56	58	56.50
Utd Micro Elec	47.40	46.50	47.10	47
Utd World Chin	72	71	71.50	71.50

Tokyo
Nikkei 225: 18198.74 Previous: 18041.32

	High	Low	Close	Prev.
Ajinomoto	1030	991	1030	1020
All Nippon Air	803	791	802	806
Amway	3480	3390	3470	3400
Asahi Bank	810	795	808	808
Asahi Chem	620	601	620	618
Asahi Glass	1080	1050	1070	1070
Bk Tokyo Mitsu	1910	1840	1910	1890
Bk Yokohama	540	534	540	538
Bridgestone	2220	2180	2200	2210
Canon	2520	2450	2520	2470
Chubu Elec	2130	2090	2130	2100
Chugoku Elec	2180	2120	2170	2130
Dai Nipp Print	1960	1940	1950	1960
Daiei	764	750	763	754
Dai-Ichi Kang	1290	1230	1290	1280
Daiwa Bank	474	467	470	476
Daiwa House	1340	1290	1320	1320
Daiwa Sec	942	922	942	945
DDI	7380a	7240a	7330a	7320a
Denso	2170	2120	2150	2180
East Japan Ry	5250a	5170a	5250a	5170a
Eisai	2250	2220	2220	2240
Fanuc	3750	3640	3750	3670
Fuji Bank	1360	1300	1360	1340
Fuji Photo	4040	3940	4040	4000
Fujitsu	1180	1160	1180	1180
Hachijuni Bk	1070	1030	1040	1060
Hitachi	1050	1030	1050	1040
Honda Motor	3720	3610	3720	3680
IBJ	1360	1290	1360	1310
IHI	427	411	426	421
Itochu	569	553	569	570
Ito-Yokado	5380	5230	5380	5290
JAL	494	486	486	486
Japan Tobacco	8040a	7990a	8000a	8020a
Jusco	3240	3160	3230	3190
Kajima	643	613	630	635
Kansai Elec	2150	2120	2140	2130
Kao	1300	1290	1290	1310
Kawasaki Hvy	484	472	484	475
Kawa Steel	336	312	336	312
Kinki Nipp Ry	723	718	723	718
Kirin Brewery	1010	970	1010	973
Kobe Steel	222	216	219	219
Komatsu	856	837	844	863
Kubota	533	510	526	514
Kyocera	7000	6940	6990	7060
Kyushu Elec	2170	2110	2170	2120
LTCB	422	398	422	405
Marubeni	447	436	447	436
Marui	1710	1650	1690	1680
Matsu Comm	2940	2890	2910	2950
Matsu Elec Ind	1800	1770	1800	1790
Matsu Elec Wk	1090	1060	1090	1080
Mitsubishi	1070	1010	1070	1030
Mitsubishi Ch	330	315	328	326
Mitsubishi El	680	656	680	666
Mitsubishi Est	1440	1360	1430	1360
Mitsubishi Hvy	823	811	818	824
Mitsubishi Mat	858	845	850	862
Mitsubishi Tr	1320	1270	1310	1300
Mitsui	873	859	873	863
Mitsui Fudosn	1310	1230	1310	1250
Mitsui Trust	735	715	725	727
Murata Mfg	4150	4100	4150	4090
NEC	1410	1360	1400	1380
Nikon	1770	1740	1760	1760
Nikko Sec	727	709	725	729
Nintendo	8700	8470	8650	8540
Nipp Express	776	745	776	748
Nippon Oil	494	485	494	495
Nippon Steel	334	320	334	322
Nissan Motor	712	682	712	690
NKK	253	246	252	247
Nomura Sec	1550	1500	1530	1580
NTT	8570a	8480a	8540a	8580a
NTT Data	3140b	3050b	3130b	3040b
Oji Paper	629	624	626	625
Osaka Gas	295	288	292	292
Ricoh	1400	1370	1390	1400
Rohm	8730	8690	8730	8730
Sakura Bk	734	700	733	712
Sankyo	3310	3200	3300	3280
Sanwa Bank	1330	1290	1320	1300
Sanyo Elec	478	455	474	470
Secom	6740	6630	6740	6700
Seibu Rwy	5220	5020	5220	5000
Sekisui Chem	1240	1230	1240	1250
Sekisui House	1100	1080	1100	1100
Seven-Eleven	7170	7110	7170	7140
Sharp	1520	1500	1520	1520
Shikoku El Pwr	2100	2070	2090	2080
Shimizu	697	677	695	697
Shin-etsu Ch	2330	2300	2310	2340
Shiseido	1440	1420	1430	1440
Shizuoka Bk	1010	994	1010	995
Softbank	10200	9900	10200	10200
Sony	8820	8710	8770	8800
Sumitomo	862	838	856	838
Sumitomo Bk	1490	1420	1470	1460
Sumit Chem	459	440	459	451
Sumitomo Elec	1660	1640	1650	1650
Sumit Metal	282	273	281	277
Sumit Trust	1020	996	1010	1030
Taisho Pharm	2830	2720	2810	2790
Takeda Chem	2470	2420	2470	2430
TDK	8320	8220	8260	8270
Tohoku El Pwr	2060	2030	2060	2040
Tokai Bank	900	890	896	902
Tokio Marine	1290	1230	1290	1240
Tokyo El Pwr	2230	2190	2230	2210
Tokyo Electron	4320	4270	4300	4270
Tokyo Gas	302	298	301	300
Tokyu Corp.	552	541	550	544
Tonen	1240	1180	1240	1220
Toppan Print	1360	1340	1350	1360
Toray Ind	680	665	676	676
Toshiba	672	661	670	666
Tostem	2650	2600	2630	2650
Toyo Trust	855	834	855	856
Toyota Motor	3080	3040	3080	3080
Yamanouchi	2460	2410	2440	2420

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6263.91 Previous: 6214.73

	High	Low	Close	Prev.
Abitibi Price	22¼	22.10	22.15	22.15
Alberta Energy	30.15	29.30	30	29.30
Alcan Alum	50.45	49.20	50.05	49.20
Anderson Expl	16.15	15.90	16.05	15.95
Bk Montreal	54½	52.05	53.95	52.05
Bk Nova Scotia	56	54.20	55½	54.30
Barrick Gold	36.35	35.90	35.95	36.35
BCE	68¼	67.35	67.85	67.35
BC Telecomm	31¾	31.30	31.70	31.70
Biochem Pharm	78.25	76.05	78	76
Bombardier B	27	26.80	26.90	26.70
Brascan A	32.85	32.65	32¾	32.80
Bre-x Minerals	17.20	16.60	17.05	17.05
Cameco	56	54¾	55	54½
CIBC	71¼	69¼	70½	69.10
Cdn Natl Rail	52	51.45	52	51
Cdn Nat Res	34.80	34	34.60	33.65
Cdn Occid Pet	22.70	22½	22½	22.70
Cdn Pacific	36.30	35.70	36	35.70
Cominco	40¼	39.35	40	39.70
Dofasco	24½	24.35	24½	24.35
Domtar	12.20	12.10	12.10	12.20
Donohue A	26.40	26.20	26.35	26.40
Du Pont Cda A	34.35	34	34.35	33½
Edper Group	24.05	23.90	23.90	24
EuroNev Mng	42½	42.35	42½	43
Fairfax Finl	300	296½	300	298
Falconbridge	32.65	31.60	32.60	31.55
Fletcher Chall A	22	21.80	21.95	22.20
Franco Nevada	63.45	63.10	63.30	63.70
Gulf Cda Res	10.85	10.20	10.70	10.20
Imperial Oil	62.15	61.65	62	61.65
Inco	49½	48.80	49¼	48.70
IPL Energy	40¼	40	40.20	39.95
Laidlaw B	20½	19¼	20.20	19.65
Loewen Group	44.70	43.45	44.55	43½
Macmill Bldl	18.90	18.60	18.65	18.60
Magna Intl A	73.20	72.10	72.55	71.95
Methanex	13.70	13½	13.70	13.60
Moore	30.30	30	30	29.90
Newbridge Net	43.70	42.35	43.55	42.90
Noranda Inc	33.05	32.45	32.90	32.40
Norcen Energy	29.85	29½	29.85	29¾
Nthern Telecom	98½	97.20	97.20	97¼
Nova	12.60	12½	12.55	12½
Onex	25.40	25¼	25¼	25.30
Pancdn Petlm	56.10	56	56	56.20
Petro Cda	20.30	20	20.20	19.95
Placer Dome	27.90	27.40	27.55	27.95
Poco Petlm	12.90	12.80	12.80	12.90
Potash Sask	106.80	104½	106.45	105½
Renaissance	40¾	39¾	40.60	39.55
Rio Algom	35.90	35.60	35.70	35¾
Rogers Cantel B	25½	25	25.40	25.30
Seagram Co	54¾	54¼	54½	54¾
Shell Cda A	57½	57.15	57.45	57.15
Stone Consold	22.10	22	22.10	22.05
Suncor	61.60	60½	61.60	61.45
Talisman Eny	44¾	44	44½	44.15
Teck B	32.65	32.40	32.55	32.40
Teleglobe	39.95	39.80	39.85	39.80
Telus	21	20.85	20.95	20.85
Thomson	30.20	29½	30	29½
TorDom Bank	39.55	39	39¼	38.85
Transalta	17.05	16.85	17	16.95
TransCda Pipe	26¾	26.30	26.65	26.35
Trimark Finl	44	43.55	43.95	43½
Trizec Hahn	33½	33.10	33¼	32.90
TVX Gold	11.30	11.05	11.10	11.20
Westcoast Eny	25.45	25.30	25.45	25.40
Weston	73¾	73.60	73.60	73¾

Vienna
ATX index: 1244.01 Previous: 1250.36

	High	Low	Close	Prev.
Boehler-Uddeh	834.60	827	831	824.80
Creditanst Pfd	468	460.20	464	464.50
EA-Generali	3390	3360	3374	3380
EVN	1762	1740	1749	1756
Flughafen Wien	610	598	602.85	609.95
OMV	1425	1401.50	1417	1430
Oest Elektriz	856.50	852	854	859
VA Stahl	485.20	477	477	481.40
VA Tech	1879	1861	1867	1876.50
Wienerberg Bau	2238	2205	2225	2230

Wellington
NZSE-40 index: 2288.96 Previous: 2288.18

	High	Low	Close	Prev.
Air N Zeald B	3.95	3.92	3.95	3.93
Brierly Invt	1.38	1.36	1.37	1.37
Carter Holt ord	3.25	3.23	3.24	3.27
Fletch Ch Bldg	4.15	4.05	4.15	4.05
Fletch Ch Eny	3.88	3.85	3.87	3.85
Fletch Ch Forst	2.03	2.00	2.01	2.02
Fletch Ch Paper	2.96	2.92	2.96	2.93
Lion Nathan	3.64	3.62	3.62	3.63
Telecom NZ	6.75	6.68	6.69	6.67
Wilson Horton	11.10	11.10	11.10	11.05

Zurich
SPI index: 2938.44 Previous: 2925.65

	High	Low	Close	Prev.
ABB B	1763	1743	1763	1764
Adecco B	480	473	475.50	482
Alusuisse R	1232	1207	1232	1212
Ares-Serono B	1675	1640	1670	1670
Atel R	856	856	856	855
Baer Hdg B	1730	1710	1725	1733
Baloise Hdg R	3000	2950	3000	3010
BK Vision	870	862	867	870
Clariant R	737	725	730	728
Crd Suisse Gp R	165	159.50	163.75	161
Elektrowatt B	530	529	530	530
Ems-Chemie	5940	5860	5905	5905
ESEC Hdg	4760	4630	4680	4760
Holderbank B	1118	1095	1107	1121
Liechtenst LB B	472	469	469	470
Nestle R	1642	1625	1639	1641
Novartis R	1785	1733	1779	1747
Oerlikn Buehr R	147	145	146	148
Pargesa Hld B	1715	1655	1675	1710
PharmVisn B	751	741	747	750
Richemont A	2070	2062	2062	2092
Pirelli PC	205	202	205	205
Roche Hdg PC	12540	12290	12540	12510
SBC R	301.50	296.50	301	299
Schindler PC	1625	1610	1610	1640
SGS B	3495	3410	3460	3450
SMH B	875	854	875	857
Sulzer R	961	950	952	954
Swiss Reins R	1544	1520	1541	1544
Swissair R	1329	1302	1321	1318
UBS B	1344	1317	1338	1327
Winterthur R	948	930	948	938
Zurich Assur R	454	447.50	454	450.50

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	152.61	+0.50	+0.33	+15.73
Regional Indexes				
Asia/Pacific	110.45	-0.22	-0.20	-17.73
Europe	161.38	+0.65	+0.40	+15.95
N. America	178.05	+0.80	+0.45	+38.80
S. America	141.00	-1.08	+0.77	+58.36
Industrial Indexes				
Capital goods	177.55	+0.22	+0.12	+33.62
Consumer goods	173.05	+0.68	+0.39	+25.33
Energy	178.15	+0.22	+0.12	+31.36
Finance	113.95	+0.09	+0.08	-11.15
Miscellaneous	158.71	-0.06	-0.04	+16.86
Raw Materials	188.39	+1.58	+0.85	+32.86
Service	142.12	+0.53	+0.37	+18.43
Utilities	135.32	+0.74	+0.55	+6.43

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

ASIA/PACIFIC

Dai-Ichi To Take Write-Off

Bank Braces for Loss Over New Bad Loans

Compiled by Our Staff From Dispatches

TOKYO — Dai-Ichi Kangyo Bank Ltd. said Friday it would dispose of 550 billion yen ($4.52 billion) in bad loans in the year ending March 31. The write-off includes reserves set aside to cover losses on some loans the bank told investors had already been cleared from its books.

Dai-Ichi Kangyo becomes the first Japanese bank to publicly say it must take additional losses on loans it had cleared from its books through sales to a special company set up by banks and insurers to help unload bad debt.

Other banks will probably follow suit as they close out their financial years this month, analysts said.

Largely because of the write-off, Dai-Ichi Kangyo reversed its forecast for full-year results, to a pretax loss of 300 billion yen, from a previous forecast of a 40 billion yen profit.

Dai-Ichi also said it would shed 3,000 employees over four years to cut costs. It is also planning to merge or close more than 30 domestic offices in four years.

"We tried to dispose of as many bad loans as possible ahead of the Big Bang," Fumio Akanuma, managing director of the bank, said, referring to the government's plan to deregulate Japan's financial markets.

Dai-Ichi Kangyo shares rose 10 yen to 1,290. News of the write-off came after the close of trading.

Among the write-offs, Dai-Ichi Kangyo included 200 billion yen in loans to its affiliates, and 100 billion yen in loan-loss reserves. As a result, the bank said its capital-to-assets ratio would fall below 9 percent from 9.3 percent now.

The Bank for International Settlements, a Switzerland-based watchdog of the global banking industry, requires banks maintain the ratio at 8 percent or above to limit risk.

Even after the write-offs, Dai-Ichi Kangyo will hold 1.10 trillion yen in bad loans at the end of March, barely changed from 1.149 trillion yen six months before.

The bank has set aside loan-loss reserves covering 60 percent of the sour loans, most of which were extended to now-bankrupt companies or on which interest has not been paid for more than six months.

The bank has 150 billion yen in loans on which it has waived or cut interest payments and 100 billion yen in loans to borrowers to whom the bank has provided financial assistance. *(Bloomberg, Reuters)*

U.S. Firms Fill Asia Trade Vacuum

Bloomberg News

WASHINGTON — Executives of American companies, eager to raise exports, are not waiting for the Commerce Department to sponsor more trade missions to Asia.

More than 100 American executives will take off this weekend for talks with leaders in Malaysia, Indonesia and Singapore aimed at opening new markets for their companies' products.

While the Commerce Department works out new 'nonpolitical' rules for trade missions, business groups are organizing trips of their own.

"Southeast Asia is the place where the Japanese, U.S. and Europeans really butt heads," said Ernest Bower, president of the U.S.-ASEAN Business Council, which is helping organize the trip.

"Timing here is critical. Just in the last month the Japanese prime minister had been down there, and European trade ministers are staking a claim, too. To keep a competitive advantage, we need to be there."

That attitude led President Bill Clinton's first commerce secretary, Ronald Brown, to step up the number and profile of trade missions overseas. He took the chief executive of United Technologies Corp., George David, and hundreds of other executives to Russia, Latin America and other points. Republicans charged that Mr. Brown, who died in an airplane crash in Bosnia last year, used the missions as payback for big donors to the Democratic Party. The current commerce secretary, William Daley, suspended the trips while he worked out new rules to insulate them from politics. The new rules, issued this week, include a "nonpolitical" panel of career employees to decide which executives will go and to block referrals from political parties.

The Commerce Department's trade-mission pipeline has yet to resume flowing, though, and executives like Mr. David; his counterpart at McDonnell Douglas Corp., Harry Stonecipher; and Raymond Cesca, managing director for trade at McDonald's Corp., are not waiting.

"While Commerce is in transition, there's nothing wrong with other organizations doing these trade missions," Mr. David said.

U.S. exports to the Association of South East Asian Nations grew 104 percent between 1990 and 1996, which makes the group the United States' fastest-growing export market. Singapore, Malaysia, Thailand, Indonesia, Brunei, Vietnam and the Philippines together will have more than 500 million people, gross domestic product of $1 trillion, and $250 billion in two-way trade with the United States by the turn of the century, according to the International Monetary Fund. U.S. executives want a bigger piece of that market.

United Technologies' revenues from Southeast Asia alone have grown 20 percent a year since 1992. Mr. David said he expected them to grow 15 percent a year, to $2.2 billion, between now and 2001. Enron Corp. is finishing a 500-megawatt power project in East Java, Indonesia. Oracle Corp., the world's biggest maker of database software, saw its Asian business grow more than 60 percent last year.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,397.35	13,416.36	-0.59
Singapore	Straits Times	2,178.27	2,179.93	-0.08
Sydney	All Ordinaries	2,438.60	2,447.40	-0.36
Tokyo	Nikkei 225	18,196.74	18,041.33	+0.87
Kuala Lumpur	Composite	1,251.21	1,249.84	+0.11
Bangkok	SET	691.45	676.65	+2.19
Seoul	Composite Index	681.22	678.11	+0.46
Taipei	Stock Market Index	8,162.86	8,081.00	+1.01
Manila	PSE	3,286.45	3,279.62	+0.20
Jakarta	Composite Index	683.81	683.11	+0.10
Wellington	NZSE-40	2,288.96	2,288.18	+0.03
Bombay	Sensitive Index	Closed	3,876.04	-

Source: Telekurs International Herald Tribune

Asians Discuss Risks of Financial Integration

Reuters

HONG KONG — Financial policymakers gathered here Friday to debate the benefits of Asian market interdependence as integration into the global economy puts ever greater strains on the region's fledgling regulatory frameworks.

"Increasing trade and financial sector integration, in the global economy and in the region, offers enormous potential benefits but will also pose new challenges for Asian countries," Michel Camdessus, managing director of the International Monetary Fund, told the Hong Kong Monetary Authority Conference on financial integration in Asia and the role of Hong Kong.

Asia's share of world trade has ballooned over the last decade and capital flows to the region have soared, contributing to strong growth and the rapid development of financial markets.

As Asian countries increase trade and financial links with the rest of the world and with each other, they become vulnerable to financial crises in other countries.

"Accordingly," Mr. Camdessus said, "individual economies will have an increasing interest in the economic prosperity and stability of others."

Anwar Ibrahim, Malaysia's deputy prime minister and minister of finance, said the risks that accompany greater financial integration and increasing openness were obvious. "They include instability, increased risk taken by financial institutions and pressures on international payment and settlement systems."

Delegates to the conference, taking place in one of the world's most open markets, stressed that each country must maintain prudent fiscal policy, a proper regulatory framework and strong banking systems to guard against instability.

Asian countries also must act together to avert crises that would wreak havoc on the region's currency and financial markets, they said.

Many of the countries in the region already have signed bilateral repurchase agreements to provide liquidity if one or more Asian currencies are attacked.

But so far, there have been few other formal pacts among Asian countries to protect against systematic financial shocks, and Friday's meeting did not offer any new initiatives.

Joseph Yam, chief executive of the Hong Kong Monetary Authority, has for some time been a proponent of an Asian-wide payments system to assure real-time settlement across borders, but response to the suggestion has been mixed.

Region Needs Its Funds

Reuters

HONG KONG — Asia's huge foreign-exchange reserves are largely invested with developed countries despite the region's own need for investment funds, the head of Hong Kong's de facto central bank said Friday.

Joseph Yam, chief executive of the Hong Kong Monetary Authority, said the region needed to develop sophisticated markets and instruments to bring funds back home. A Hong Kong official said more than 95 percent of the territory's foreign reserves were invested outside Asia.

Very briefly:

• **China Air Lines Ltd.**, Taiwan's national airline, said its top shareholder was planning to sell at least 3.7 percent of the carrier to either **British Airways PLC; American Airlines**, a unit of **AMR Corp.**, or **United Airlines**, a unit of **UAL Corp.** The stake, held by the state-regulated **China Aviation Development Foundation**, is worth about $164 million.

• **Vietnam's** first corporate bankruptcy was approved by a court, three years after passage of enabling legislation. **Duc Thang Ltd.** was declared bankrupt Feb. 24 at the request of a creditor, **Banque Nationale de Paris.**

• **Sankorp Ltd.** will sell 50 percent of **Automakers Ltd.** to **Nissan Motor Co.** for 380 million rand ($85.3 million).

• **Toyota Motor Corp.** has set up its own auto-parts production unit in China with capital of 3.7 billion yen ($30.4 million). The unit, **Tianjin Toyota Forging Co.**, will produce drive-shaft parts beginning in December 1998.

• **Dai-Ichi Kangyo Bank Ltd.** and three European banks plan to lend $124 million to **China Eastern Airways** to buy an **Airbus Industrie** aircraft. The other banks are **Credit Lyonnais SA, Kreditanstalt fuer Wiederaufbau** and **Deutsche Hypothekenbank AG**, a unit of **BHF-Bank.**

• **Malaysian Airline System Bhd.** signed a letter of intent with **Boeing Co.** to buy up to 15 wide-bodied 777-200X aircraft. *AFP, AFX Bloomberg*

Political Feud Takes Toll on Cambodia Business Climate

Reuters

PHNOM PENH — First Prime Minister Prince Norodom Ranariddh has voided major contracts signed by a rival politician, a move signaling that feuding between Cambodia's governing parties has spilled over into the business arena.

Prince Ranariddh wrote to the Malaysian company Ariston Sdn to inform it that the government had canceled its deals to lease land for a large resort and an 18-hole golf course, as well as an airport concession agreement.

"The agreements are null and void," Prince Ranariddh wrote in the letter, dated Feb. 26 and addressed to Ariston's chief executive, Chen Lip Keong. The agreements, signed Sept. 16, were key parts of Ariston's $1.3 billion plan to develop the southern port city of Sihanoukville into a major tourist destination.

But Prince Ranariddh said the contracts had been signed without proper authorization by Sok An, the co-minister of the Council of Ministers and a member of Second Prime Minister Hun Sen's Cambodian People's Party. Mr. Sok An would not comment on the deal or on Prince Ranariddh's cancellation of the contract. Executives at Ariston were not available for comment.

The move is likely to shake investors in Cambodia, who have long worried that tensions between Prince Ranariddh's Funcinpec party and the Cambodian People's Party would undermine the business climate.

Analysts said the problems between the two prime ministers, who formed a shaky coalition government following elections in 1993, would worsen as Cambodia approaches national elections, scheduled for 1998.

Separately, government officials said the International Monetary Fund had decided to resume a $120 million loan program to Cambodia provided that the government took concrete action to improve its forestry policies.

The fund had canceled a $20 million loan installment over concerns about heavy logging and accounting procedures for forestry revenues.

Dragonair Joins Trade Group

Reuters

HONG KONG — Hong Kong Dragon Airlines, known as Dragonair, has become the 18th member of the Orient Airlines Association, the group said Friday.

Industry sources said Dragonair's participation was also seen as significant because the move could eventually lead such mainland Chinese carriers as China Southern Airlines and China Eastern Airlines to become members. Currently neither is a member because of the participation in the group of China Air Lines, a Taiwanese carrier.

Sources said Dragonair's main owners included two Chinese companies: China National Aviation Corp., which holds 36 percent; CITIC Pacific Ltd., which owns 28 percent. Other shareholders include Swire Pacific and Cathay Pacific Airways, which together hold 26 percent.

South Korean Bond Sale Imperils Takeover

Bloomberg News

SEOUL — South Korea's top three conglomerates joined forces Friday to try to thwart the country's first hostile takeover as key subsidiaries bought bonds in Midopa Co.

The luxury retailer said it had sold 50 billion won ($57.5 million) of bonds with warrants that can be converted into Midopa stock to units of Samsung Co., LG Group and Hyundai Corp.

Chun Byung Sam, a spokesman for Dainong Corp., which owns 19 percent of Midopa, said the bonds gave holders the right to buy 1.6 million shares, or 10 percent of the total shares, after Midopa's financial year ends June 30.

Mr. Chun said the companies teamed up to support Dainong against an "unreasonable attempt to snatch control of native local companies through collusion with foreign investors."

The alleged foreign predator is Peregrine Investment Holdings Ltd., a Hong Kong-based investment firm. Peregrine Investment has denied attempting to buy Midopa. But it has a joint-venture brokerage with Shindongbang Group, which informed the stock exchange in Seoul on Thursday that it was considering a bid for Midopa.

Lee Sang Jin of Samsung Life said the company had bought 15 billion won's worth of bonds from Midopa because they granted the right to buy shares at a huge discount. The bonds give the right to buy shares at about 29,900 won. Midopa shares fell 330 won Friday to close at 38,200.

India Aims to Be Economic Tiger in 4 Years, Finance Chief Says

Compiled by Our Staff From Dispatches

NEW DELHI — Finance Minister Palaniappan Chidambaram predicted Friday that India would be "as combative" as the rest of Asia's so-called Tiger economies within four years.

Mr. Chidambaram added that he was aiming to accelerate growth in gross domestic product growth to 8 percent a year from 7 percent.

"India is an Asian country," he told a group of business leaders. "We are proud that Japan is an economic giant. China is powering itself to becoming the second largest economic power.

"If India is left behind," he said, "no Indian can be proud, and it is a matter of shame as one-sixth of humanity is left behind. It is time that she pulled herself up to raise productivity, competitiveness and demanded her rightful place in the world."

He said free-trade reforms would help, but foreign analysts said New Delhi needed bolder steps to spur growth and alleviate poverty.

India began eliminating controls on production, trade and investment in 1991. The budget for the next fiscal year, which Mr. Chidambaram unveiled last month, includes some cuts in import tariffs.

But Kim Chul Su, the deputy director-general of the World Trade Organization, said New Delhi needed to go further in its reform program.

"The acceleration of reform would be necessary to overcome the recent slowdown of exports and industrial production and overcome the serious infrastructure bottleneck faced by Indian companies," he said. *(AFP, Reuters)*

SPLIT: *Culture Clash at Bank*

Continued from Page 11

fund manager took some unauthorized risks. The result was that Deutsche Bank paid $288 million to buy out some securities that the manager had acquired, and paid some $320 million to compensate customers for losses. In the wake of the incident, Deutsche Bank is considering moving its retail mutual fund business at Morgan Grenfell to Frankfurt, Helmut Hartmann, a Deutsche Bank spokesman said.

But he said that Deutsche Bank was firmly convinced that London was still the proper location for its investment banking business. The bank wants to expand in international banking, and it has said that it cannot do that from Frankfurt. "There are too many regulations, and the people we want to run the investment banking business are to be found in places like New York and London," Mr. Hartmann said.

After Deutsche Bank's embarrassing incident with the fund manager, Dresdner bankers became more adamant that the Frankfurt headquarters should supervise the London operations.

"We do not want to concentrate our management in London, Frankfurt or any one location," Mr. Sarrazin, the Dresdner chairman, said earlier this week. "To act that way would be too narrow. It would be to fight the practicalities and to be inwardly focused, rather than client-focused."

NOMURA: *Stiff Penalty Threatened as Brokerage Admits Wrongs*

Continued from Page 11

ternational PLC, to court on charges of stock manipulation.

The Australian Securities Commission said it had filed claims in the federal court and was awaiting a hearing date after mediation with Nomura International broke down.

The commission has alleged that the company created a false impression of supply and demand aimed at confusing the market. Nomura International has denied any wrongdoing.

When Japan's stock market boomed in the late 1980s, Nomura Securities' business soared under Chairman Setsuya Tabuchi and President Yoshihisa Tabuchi.

But from 1990 the company's fortunes started to sour along with Japanese share prices.

First, its reputation suffered from revelations it compensated big clients for losses. Then, the brokerage was left in turmoil after a series of reports about its tight relationship with Susumu Ishii, the late head of Japan's No. 2 crime syndicate.

Disgraced, the Two Tabuchis, as they were known, resigned. They were replaced by Mr. Sakamaki. But in 1995 Setsuya Tabuchi and Yoshihisa Tabuchi returned to Nomura's board of directors.

Since the Security and Exchange Surveillance Commission was founded in 1992, it has prosecuted only six cases of illegal trading, although brokers insist such trading characterizes Japan's stock markets.

In any case, the senior Nomura employee said, the scandal would hit the company hard.

"It shows how disorganized Nomura is," he said. "Since the 1991 scandal we have made little progress in cleaning up the mess."

Nomura could lose disillusioned staff and customers because of the scandal, he said.

"Psychologically Nomura will be punished for a long time for this scandal," he said.

On a day when Japan's benchmark stock index surged to its biggest gain in almost two weeks, Nomura shares closed Friday at 1,530 ($12.59), down 50 yen.

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a - asked e - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - 9 Offer Price incl. 3% prelim. charge; + - Parts exchange; ++ -Amsterdam exchange; e - misquoted earlier; avoi registerers with regulatory authority. P- Bid/ofe of bid and offered price. Ex estimated price, y: price calculated. 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

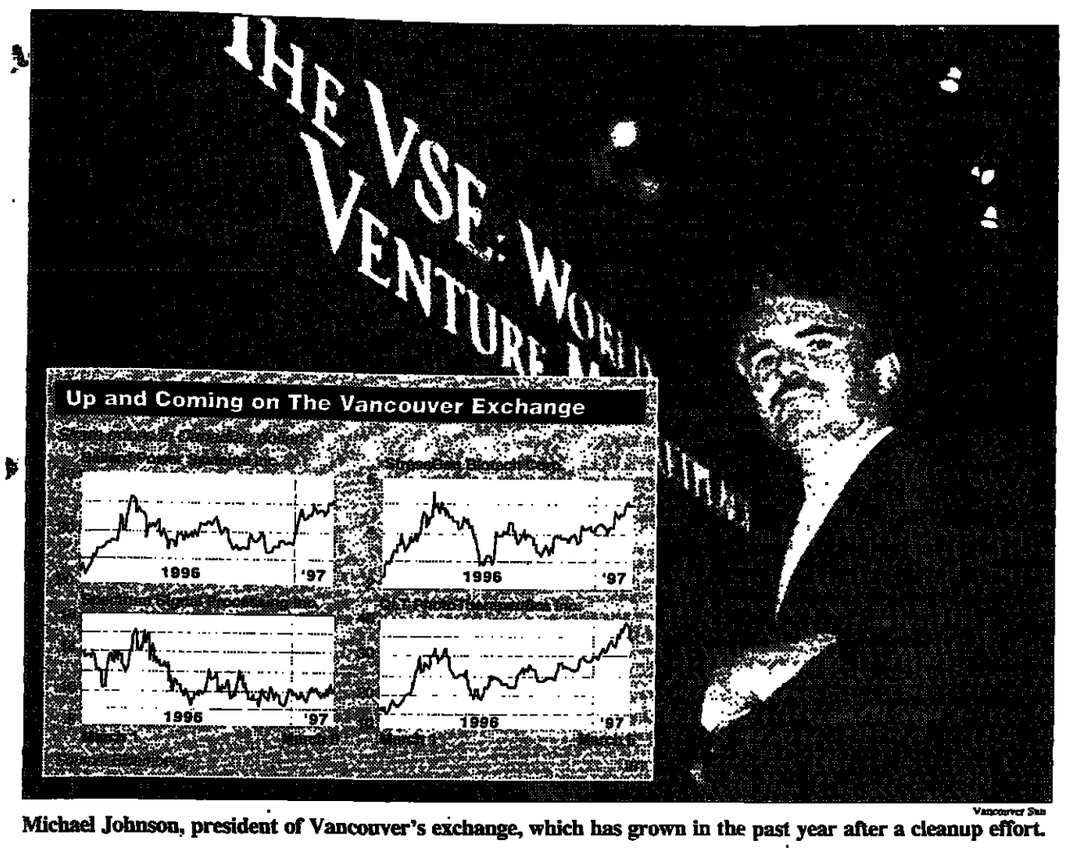
Herald International Tribune

THE MONEY REPORT

SATURDAY-SUNDAY, MARCH 8-9, 1997
PAGE 17

MONDAY: SPORTS

Taking Chances: Vancouver Rises on the Crest of a High-Tech Wave



Vancouver Sun

Michael Johnson, president of Vancouver's exchange, which has grown in the past year after a cleanup effort.

Stock Exchange Gambles on Asia And a Cleanup

By Holly Hubbard Preston

THE VANCOUVER Stock Exchange, tired of its shady reputation, is cracking down on its listed companies much as a school principal might crack down on a group of juvenile delinquents. It is also offering them an exchange program, so to speak: a computerized trading session for brokers in Asia during their business hours and a venue for Pacific Rim countries to raise capital.

Having been burned in the past by what Angela Huxham, the exchange's surveillance director, called "a few bad characters," the Vancouver bourse has gone to unprecedented lengths to regulate its 1,500 listed companies.

The measures include the following:

- All prospective companies and their directors must submit to an investigation that includes background checks of references, media databases and financial records.
- Candidate companies must be sponsored by a brokerage firm that has a seat on the exchange.
- Once it is accepted as an applicant for listing on the exchange, a company must pledge to comply with all exchange policies and filing requirements, including one stipulating that all directors must be approved by the exchange. As part of the deal, the exchange says that it will review all press releases issued by listed companies.

In the past year, the exchange has suspended 20 companies for breech of its listing policies and delisted six, including Trellis Technology Corp. and Cam-Net Communications Network Inc.

The Vancouver exchange "has made a real effort to clean up its act," said Mike Brown, founder of Ventures West, a local venture-capital firm that has a number of clients listed on the exchange. "Today, what happens on the VSE is no worse than what happens on NASDAQ."

To enforce the exchange's tough rules on public announcements, Ms. Huxham has 11 people in her department, including chartered accountants, holders of MBA degrees and geologists (because of the large number of natural-resource companies), who are responsible for reviewing press releases.

"We're trying to make sure that the companies aren't being overly promotional," she said.

Although some prospective candidates have taken their companies elsewhere and shareholders of the suspended and delisted companies are understandably upset, the exchange in Vancouver, a city in British Columbia, on Canada's southwestern Pacific coast, has been growing. Its 1996 volume was 8.3 billion shares, valued in U.S. dollars at $8.8 billion, rises of 35 percent and 87 percent over 1995, respectively, and No. 4 in both categories for North America, behind the New York and Toronto exchanges and the NASDAQ system. Vancouver exchange companies raised about $155 million last year, up 83 percent from 1995.

Most of that growth was driven by major mining discoveries in several countries last year, which helped draw attention to the kind of small mining companies that dominate the exchange. Among those is Vancouver-based Arizona Star Resource Corp. It was the exchange's most actively traded stock in 1996, with approximately 128 million shares changing hands at a value of about $13.3 million. The stock's head-spinning 1,477 percent gain over the previous year was largely attributable to the company's discovery, in collaboration with its majority shareholder, Vancouver-based BEMA Gold Corp., of a gold mine in Chile.

To broaden its international reach, the exchange in September implemented an after-hours, computerized trading program for Asian investors and brokers. It has been well-received by local securities executives, such as Ken Dong, senior investment manager at the Canadian securities firm Nesbitt Burns, who said it was "rare among exchanges."

In fact, only California's Pacific Stock Exchange is even planning a similar program.

The Vancouver program, known as the Vancouver International Securities Trading Access, allows Asian-based brokers to trade 80 selected stocks as their working day starts and North America's end.

The five-month-old program is recruiting Asian brokerage houses. Two Hong Kong firms have applied, and if they are accepted, they would be classified as international associates of the Vancouver exchange.

These firms would be able to execute trades either from their own Vancouver Computerized Trading Terminal or through one of the exchange's 57 Canadian member brokerage houses that have a Bloomberg News quote terminal.

The associates, while not full exchange members, can underwrite public offerings as long as they only deal with non-Canadian residents.

The exchange is not publishing statistics on the plan, which is considered a pilot program. But officials said it was generating at least three trades a night out of Asia. And the 80 stocks are experiencing an overall increase in order flow, including trading during the exchange's daily sessions, officials said.

In addition to the international trading program, the Vancouver exchange is pushing itself as a source of venture capital for promising Asian companies.

In May 1995, the exchange started North America's first Asian Pacific trading board, recruiting more than a dozen junior resource companies from such countries as Australia, China and Hong Kong. It also is seeking to attract non-resource-based companies.

Asian board companies are traded in the evening as well as during the day.

At the end of last year, the board, which comprises 14 companies, had raised $93 million in capital.

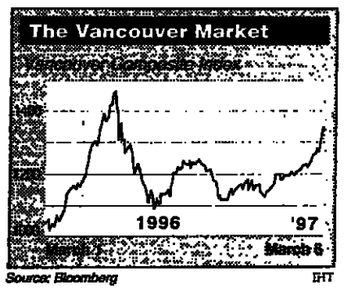
"It's having these sort of speculative companies that can hit it big through resource exploration that puts a regional exchange on the international map," Mr. Dong said.

With Canada's traditional industries such as mining, fishing and forestry facing difficult times, the country is looking to new sectors.

In the heart of Canada's largest concentration of technology start-ups, the

Continued on Page 19

New Industries Pave Pacific City's Route to the Future



Source: Bloomberg IHT

VANCOUVER, A BAY city perched on Canada's balmy southwestern rim, has been called a Canadian San Francisco and Hong Kong West. Before long, it may also come to be known as Silicon Valley North.

Vancouver, in the province of British Columbia, is home to one of the fastest-growing concentrations of computer-related and biotech start-up companies outside of the San Francisco Bay Area.

The British Columbia Technology Industries Association estimates that there are more than 2,400 high-tech companies doing business in British Columbia. The bulk of them are in or around Vancouver. The companies, most of which are less than 10 years old, range from information-system providers to biotechnology, telecommunications and advanced manufacturing concerns.

In U.S. dollars, the sector represents a $3 billion industry for British Colombia, and it is currently growing at an annual rate of 13 percent. This comes in a marketplace that many non-Canadians still link with forestry, fishing and mining — industries that many in Vancouver see as being on the decline.

Many people in this part of Canada see technology as their "route to the future," said Vic Tyson, manager of knowledge-based industries for the Vancouver office of Royal Bank of Canada. How significant are the technology companies Mr. Tyson is following? Important enough that Royal Bank has appointed a team of 20 analysts to track the country's technology firms, including those in Vancouver.

Among the stocks being closely watched by Royal Bank of Canada are companies like QLT PhotoTherapeutics Inc., Ballard Power Systems Inc., IBEX Technologies Inc., StressGen Biotech Inc. and Spectrum Signal Processing Inc. These companies were consistently identified by other leading Canadian brokerages as solid prospects.

Although Vancouver's high-tech contingent may not be well known even by Canadian consumers, the technology it is producing is beginning to turn heads within the industries it serves. With a number of these companies starting to go public on major North American stock exchanges, it is likely to be only a matter of time before investors begin to take notice.

One Vancouver company poised to attract some attention from its NASDAQ listing is QLT PhotoTherapeutics Inc., the only company with approval to sell photodynamic therapy drugs in Canada, the United States, Europe and Japan. These drugs are a new medical therapy used in connection with a light-sensitive device to break down cancerous cells without harming healthy ones. The process is seen as an alternative to radiation therapy.

QLT has three generations of drugs. The first, Photofrin, has been approved for treatment of various cancers in several countries and is expected to become a revenue-generator for the company this year, according Nesbitt Burns Inc., a leading Canadian securities firm.

Another NASDAQ-listed, Vancouver-based company attracting attention is Ballard Power Systems Inc. Equity analysts on both sides of the Canada-U.S. border consider Ballard to be the leader in the manufacture of the prototype fuel cells used to power experimental electric vehicles.

That is an opinion apparently shared by such automobile heavyweights as Daimler-Benz AG, General Motors Corp. and Honda Motor Co., which have Ballard and its fuel cells under contract. The future looks good for Ballard's business: Recent U.S. legislation requires that as of 2003, 10 percent of American cars sold must be zero-emission vehicles.

Another Vancouver-based NASDAQ listee to watch is Spectrum Signal Processing Inc. It is considered one of the top North American suppliers of programmable, digital-signal-processing products. Until recently, the technology was used for complex applications ranging from cellular communication to military radio surveillance and infrared satellite imaging. But in the past few years, the commercial market has begun to eye the technology for its value in facilitating computer/telephone integration.

Spectrum is currently negotiating deals with a number of computer companies and telecom providers to develop ways to bridge these industries.

The company scored a coup on this front this month, when it shared the podium with International Business Machines Corp. and Northern Telecom Ltd. at a Los Angeles computer and telephony show. Spectrum and Nortel have jointly developed Communicator, a product based on digital-signal processing that IBM is planning to sell through its indirect personal-computer sales channels. Communicator is targeted at corporate users who are tied to digital-based, private-branch-exchange systems — the dominant telecom environment at big companies — but who want to be able to manage their voice, video, fax and data calls from a corporate desktop computer or remote notebook computer.

Mike Brown, of the Vancouver venture-capital firm Ventures West, said that Spectrum, QLT and Ballard "are no Mickey Mouse group of companies."

Although not listed on NASDAQ, there are some promising Vancouver-based tech companies trading on the Toronto Stock Exchange. These include StressGen Biotech Corp., which is helping to pioneer a field of stress protein that, when combined with an antigen, can stimulate the cells needed to create a cancer vaccine. Analysts cautioned, however, that the company was highly speculative.

One private company that local analysts are waiting to see go public this year or next is Creo Products Inc., a pioneer in a multicolor printing technique that will allow color images to be transported straight from computers to print plates without having to be processed first on film. One of Creo's biggest clients is the global printing company R.R. Donnelley & Sons.

— HOLLY HUBBARD PRESTON

Asian Real Estate: No Firm Ground

By Philip Segal

ASIAN REAL ESTATE investments, unlike property deals elsewhere, join penny gold stocks and currency futures in the category of potentially high-yield investments in a market that can turn on you in a flash.

The market for apartments in many Asian countries carries the risk of swift and heavy government intervention, increasing the chance of having to carry a dud asset for a long period. This is because when it comes to residential property, governments in Asia are fond of killing bull markets that threaten to price their citizens out of a place to live.

In Singapore, for example, "there was active speculation in 1995-96, but now activity has slowed following the government's measures that forbid resale within three years of purchase," said Angeline Ho, a real estate analyst at Socgen-Crosby Singapore.

Added to this risk are a host of regulations across the region discriminating against foreigners, plus the usual risk of buying something in a foreign currency that may fall in value. All of that said, however, the right property investments in Asia can earn handsome returns.

For a nonresident, the best bet for liquidity is Hong Kong, where individuals or companies will find a minimum of regulation and no capital controls. The problem is that with property at the top end of the market having run up as much as 60 percent in the last year, even some of the biggest bulls are saying it may be time for prices to fall.

Even for cheaper apartments, "the market is simply overvalued," said Benjamin Cheng of Goldman, Sachs & Co. in Hong Kong.

"The top 25 percent of households are using more than 50 percent of household income to service their property debt," he said. "Historically it was about 52 percent, before the last collapse."

He was referring to a 1994 slide of as much as 40 percent in land prices that followed government measures to cool the market.

Hong Kong office space also looks expensive to buy, as rents have failed to keep pace with recovering prices. The real return on office space sold by the floor (known as strata title space) has dropped to 4 percent or less, according to Union Bank of Switzerland. This compares with real returns of 6 percent to 10 percent in the Hong Kong office market over the past 10 years.

The bulls, such as Michael Green of Salomon Brothers Inc., have a different view, based on the fact that yields in Hong Kong have been dropping fairly steadily since late 1989, after the anti-democracy crackdown in China, when they reached 11 percent. Add to that the expectation that thousands of Chinese officials will arrive after Beijing's July 1 takeover of the colony in search of office space, and you can understand the bull view that prices and rents will rise handsomely.

AS FOR THE rest of the region, in Malaysia, according to a law introduced in early 1996, foreigners may not own property valued at less than 250,000 ringgit ($101,215), and they are subject to a foreigners' surcharge of 100,000 ringgit. Foreign buyers have to make their purchase through a Malaysia-incorporated company that must be at least 30 percent-owned by a local, which often means an ethnic Malay. The official local-ownership component is 50 to 70 percent, but in practice 30 percent is usually an acceptable benchmark, said Rohan Cavaliero, senior

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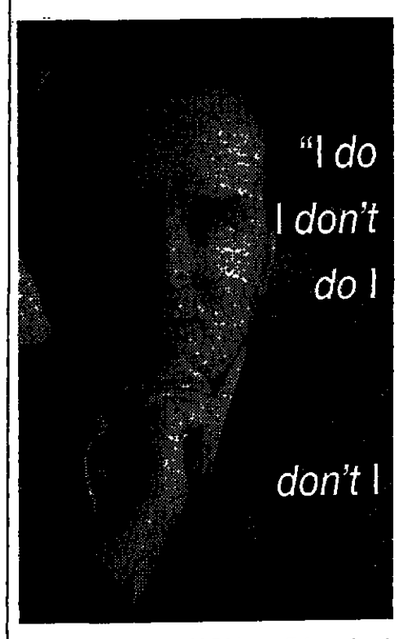

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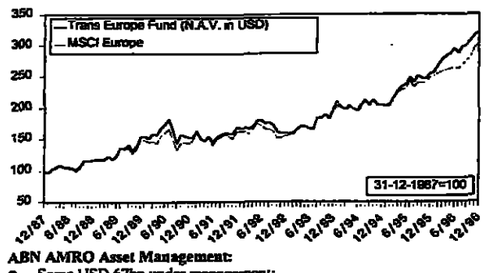
Standard Chartered

THE FUND PERFORMANCE FOCUS

The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as up.

ABN·AMRO — TRANS EUROPE FUND



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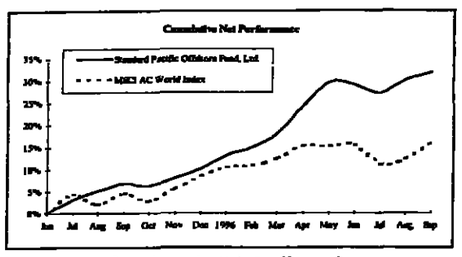
STANDARD PACIFIC OFFSHORE FUND, LTD.



Past performance is not indicative of future results

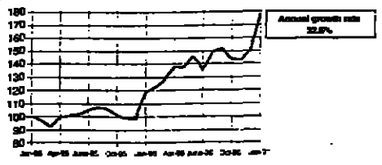
DATE	FUND	INDEX
Jul. - Dec. 1995	10.15%	8.58%
Jan. - Sep. 1996	19.74%	6.95%
Jul. 1995 - Sep. 1996	31.89%	16.13%

Andrew Midler formed Standard Pacific in 1995 after recording market leading returns with Fidelity Investments and Odyssey Partners. Standard Pacific currently manages in excess of $300 million and employs a team of 9 investment professionals. Andrew Midler, widely recognized as one of the emerging stars in the hedge fund world, manages a hedged portfolio of global equities.

For further information please contact.
Mr. Dan Forster
Alpha Fund Management, Ltd.
48 Par La Ville Road, Suite 464, Hamilton, HM 11 Bermuda
Tel: (441) 295-9620 Fax: (441) 295-9637

2

BBL Invest Emerging Europe Equity Fund



BBL Invest Emerging Europe manages assets exceeding DEM 34.5 million. In compliance with its investment objective, BBL Invest Emerging Europe invests mainly on eastern European stock markets.

Manager's Report: despite the strong gains already scored in 1996 and reflecting a favourable interest rate environment, above-average GDP growth rates, a significant deceleration of inflation, a reallocation of international portfolios towards emerging markets and, above all, stockmarket valuations more in line with international standards, equity markets in eastern Europe continue to perform handsomely this year. For the year to date, gains in US$ terms range from over 65% in Russia to around 20% in Poland and Hungary. And yet there is no reason to believe that a speculative bubble might be in the making, for the economies in the area show favourable fundamentals (continuing GDP growth, huge infrastructure needs, population growth, decelerating inflation). Currently, the country mix of the fund is as follows: Poland 32%, Czechia 30%, Hungary 23%, Russia accounts for 5% of assets, the Baltic States for around 3%, and these two areas will be awarded a higher weighting in the next few months.

BBL Invest Emerging Europe is a sub-fund of the umbrella fund BBL Invest incorporated in Belgium. Together with its namesake BBL (L) Invest, incorporated in Luxembourg, BBL Invest offers investors a whole range of area, country and industry funds.

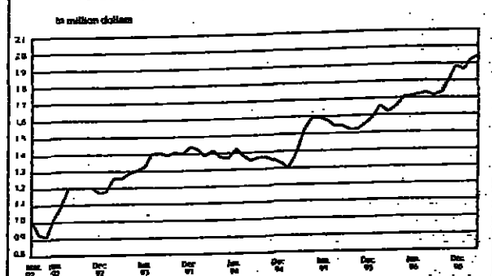
Currently, BBL offers investors a choice of more than 100 sub-funds and manages fund assets in excess of BEF 525 billion (US$ 15 billion). The BBL fund range includes money market funds, bond funds, equity funds and mixed funds, as well as a "high-tech" fund (BBL Technix).

Further information: BBL Invest Info
☎ 32/2/481 33 40
Monday through Saturday 7 am → 10pm

3

RICHCOURT

RICHCOURT FUTURES INC.
Value of $ 1 million invested since April 1st, 1992



RICHCOURT FUTURES INC. is the very successful futures component of the Richcourt Managed Account Program. The Program which is based on a multi manager concept with assets over 200 million, is designed to give access to some of the best money managers in the world. The other funds of the Program are Richcourt America Inc., Richcourt $ Strategies Inc. and Richcourt Variable Opportunities Inc.

Since its inception on April 1st, 1992 Richcourt Futures Inc. has achieved a total return of 95.3%. This return was realized thanks to the careful selection and monitoring of the best Commodity Trading Advisors located throughout the world. Richcourt Futures Inc. is well diversified, spreading its investments among trend followers, discretionary traders, and global derivatives arbitrageurs. The money managers invest in the international financial futures, commodities and foreign exchange markets. The Fund is quoted in US dollars and opens for subscription and redemption at the end of each month.

Further information can be obtained from the Administrator:

CITCO FUND SERVICES (EUROPE) B.V.
Tel: (31-20) 6769611 Fax: (31-20) 6750881

4

CREDIT LYONNAIS ROUSE

EQUITABLE HOUSE INVESTMENTS LTD

The Volatility Fund, a totally different concept in hedge funds, started trading on 1st August 1996. Its objective is to take advantage of market mispricings through volatility based trading techniques. Its trading style is similar to an institutional arbitrage and proprietary trading desk funded by investor, rather than bank capital.

The operation is jointly managed and promoted by Credit Lyonnais Rouse Ltd and Equitable House Investments Ltd. EHI is the sole investment adviser whilst CLR is responsible for administration, distribution, clearing, settlement and global custody.

The Fund uses investment techniques developed at Equitable House Investments by Dr M. Desmond Fitzgerald. The investments managed by Dr Fitzgerald have shown a compound annualised rate of return since inception in September 1993 of about 17%.

For further information please contact Bruce Thatcher:

Credit Lyonnais Rouse Ltd
Broadwalk House
5 Appold Street
London
EC2A 2DA
Telephone: (44) 171 214 6620
Fax: (44) 171 638 0373

Credit Lyonnais Rouse Ltd and Equitable House Investments Ltd

5

GLOBAL ASSET MANAGEMENT

		% Change		
Fund	Launch	Since Launch	5 Years	Size (m)
GAM Amalgam	01-Oct-91	+73.02	+69.77	£ 36.4
GAM Far East	31-Dec-86	+270.11	+78.58	£ 74.5
GAM North America	02-Jan-85	+446.35	+130.93	£ 32.2
GAM Sterling European	09-Dec-88	+116.53	+94.35	£ 73.1
GAM Sterling & Int.	09-Jan-84	+737.24	+113.85	£ 84.6
GAM UK Diversified	15-Aug-80	+164.37	+105.21	£ 61.5
GAM Asia	06-Oct-84	-3.51	–	DM 52.1
GAM Europe	12-Oct-92	+68.58	–	DM 48.5
GAM Orient	16-Sep-91	+87.47	+85.07	DM 94.7
GAM Total Bond	31-Dec-92	+19.32	–	DM 14.9
GAM Tokyo	04-Mar-92	+88.42	–	DM 298.1
GAM Universal D.Mark	02-Aug-90	+203.40	+142.44	DM 468.6

(Source – Micropal and GAM as at 28/02/97)

For further information please contact:

GAM Fund Managers (Isle of Man) Limited
11 Athol Street, Douglas, Isle of Man IM99 1HH, British Isles
Client Services: 0800 919927
Tel: 44 1624 632 777 Fax: 44 1624 632 813 GAM on the Internet: info@gam.com

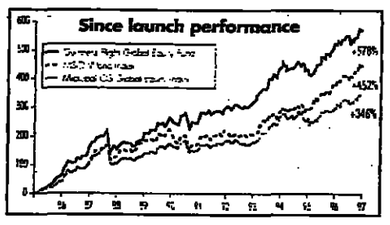
Shares in the funds described are not available for sale in any jurisdiction in which such sale would be prohibited. Subscriptions will only be received and shares issued on the basis of the current prospectus for the funds. Performance comparisons are based on offer-to-bid prices with income reinvested on a net basis for unit trusts and on bid-to-bid prices with income reinvested on a gross basis for ucits funds. Performance is shown in sterling for all funds. Past performance is not a guarantee of future performance. The price of shares can go down as well as up and may be affected by changes in rates of exchange. An investor may not get back the amount invested. Every effort has been made to ensure the accuracy of the financial information herein but it is based on unaudited figures. UCITS funds are not available to residents of the Republic of Ireland. Issued by GAM Fund Management Limited, 1 George's Dock, International Financial Services Centre, Dublin 1, Ireland. GAM Fund Managers (Isle of Man) Limited is licensed to conduct Investment Business by the Isle of Man Government Financial Supervision Commission.

GAM

6

GUINNESS FLIGHT

GLOBAL EQUITY FUND



- The Guinness Flight Global Equity Fund, a Guernsey-based distributing fund, aims to achieve capital growth through investing in an international portfolio of equities.
- Our well-defined and consistently applied investment approach aims to provide superior long-term performance at below-average levels of risk.

For further information, please contact our Investor Services Department in Guernsey on:

+44 (0)1481 712176

Internet: http://www.guinness-flight.com

Source: Micropal, offer to offer, gross income reinvested in US$ 1.2.95 - 3.2.97. Five year performance to 3.2.97: +67%. Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it may fall as well as rise and is not guaranteed. For your protection telephone calls may be recorded. Issued by Guinness Flight Global Asset Management Limited, regulated by IMRO and the Personal Investment Authority. 3419-97

7

OPPORTUNITIES THAT WARRANT A CLOSER LOOK

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8

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9

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10

OUTSTANDING HEDGE FUNDS

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Listed under Magnum Funds under Offshore Funds

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11

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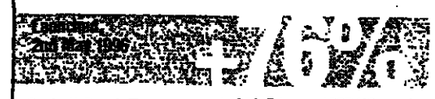

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to 28th February 1997 (10 months)

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Comprehensive Outperformance

Source: Micropal. Total Sterling growth between 01/1/93 and 01/2/97. The chart shows bid-to-bid Old Mutual International (Guernsey) European Stockmarket Fund performance.

OLD MUTUAL INTERNATIONAL

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Perpetual — THE FUND RANGE

Fund	Launch Date	% Change Since Launch	% Change 5 Years	Fund Research Rating†
International Growth	25.1.83	+627.4	+83.0	AAA
Emerging Companies	8.4.85	+744.7	+113.9	AAA
American Growth	21.4.84	+1186.9	+104.8	AAA
Latin American Growth	31.1.95	+35.4	—	—
Far Eastern Growth	8.11.86	+462.6	+145.8	AAA
Japanese Growth	30.11.91	-8.9	-8.4	AA
Asian Smaller Markets	8.3.93	+108.6	—	AA
UK Growth	24.10.87	+376.9	+129.9	AAA
European Growth	8.11.86	+229.8	+82.0	—

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- Offers 9 offshore funds investing worldwide (Minimum Investment: US$2,000)
- Since launch, 6 funds have achieved top quartile performance
- Over the last five years, 5 out of 7 funds have achieved top quartile performance
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All statistics are to 1st March 1997, on an offer-to-offer, US Dollar basis including reinvested income, net of withholding taxes (source, Micropal). † Fund Research Ltd is a leading independent qualitative research company. The top Fund Research rating is AAA.

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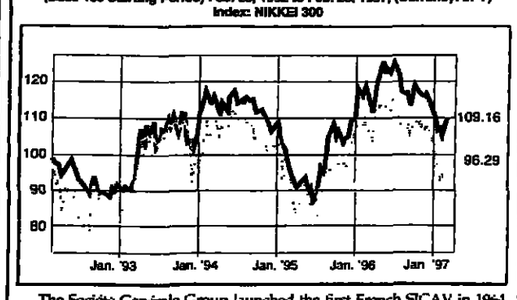
14

SOGELUX FUND EQUITIES JAPAN

S.C.A.M.

Net Asset Value per share evolution
(Base 100 Starting Period) Feb. 28, 1992 to Feb. 28, 1997, (Currency: JPY)
Index: NIKKEI 300



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SOGELUX FUND - EQUITIES JAPAN outperformed its benchmark over a period of five years (cf.graph).

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IHT 8/3/97

هكذا من الأصل

THE MONEY REPORT

Field of (Stock) Dreams: Own a Piece of Your Team

By Iain Jenkins

SPORTS FANS used to turn to the back pages of newspapers to read the *match report* on their favorite teams. Today, in Britain at least, soccer fans are just as likely to turn to the business pages to find out what has happened to the stock price of their preferred club.

The Sun, a British tabloid with sales of more than 4 million, reports that more readers are calling its soccer stock-price phone line than are calling to find out about any other quoted companies.

It is not difficult to see why. A $5,000 investment a year ago in Manchester United, the leader of the English first division soccer league, would be worth close to $16,400 today. Even more impressive is Celtic, the Glasgow team, which would have turned the $5,000 into $22,500 in 12 months.

Michael Goldman, *who runs* a $10 million Luxembourg-based sports fund, Momentum Premier Sports Partners, said: "Some people say that valuations are too high. Well, they may be for some clubs but not for others. A $600 million valuation for Manchester United looks cheap to me. I think we are just at the start of the process."

Teams are evaluated like media stocks, on the basis of their pay-per-view TV earnings. They are valued at 8.3 times their turnover when they come to the stock market.

Extraordinary gains in the sector, which match anything seen in recent years in other speculative sectors, like biotechnology or even top-performing emerging markets like Russia, have prompted club owners and investors in Italy, the Netherlands and the United States to look at sports teams in a different light.

Along with 18 British and three Danish soccer clubs and the Boston Celtics National Basketball Association team, the Florida Panthers National Hockey League team recently jumped on the bandwagon. Currently maintaining a winning record, the Panthers floated in December and have seen the stock more than double, to $26 from $10.

AC Milan, one of Italy's top two soccer teams, has announced that it wants to float its shares. Talk in the soccer world is that it will be valued at $800 million. Two other Italian clubs, Lazio of Rome and Florence's Fiorentina, also want to list, as do the Dutch team PSV Eindhoven and Paris St. Germain, the French champion.

Suddenly, sports teams are no longer seen as the unprofitable preserves of millionaires with large egos. Many brokers and owners believe that the economics of sports teams have fundamentally changed thanks to lucrative television deals and the arrival of professional business managers. This opens up huge opportunities and risks for investors.

Since the beginning of the year, however, sports stocks are down 28 percent, due in part to a growing sense that pay-per-view expectations are too high.

And teams are not a one-way ticket to money-making. Investors in Millwall, once in English soccer's first division, are in danger of losing all their money. Weighed down by debts and after years of poor performance on the field, the club has suspended its stock pending negotiations with creditors.

Sports investing can be as volatile as other typically speculative sectors, like biotechnology, where results from drug trials can cause huge swings in a stock. The same happens in sports, as investors in Brondby, the Danish soccer champion, discovered earlier this season when it looked as if the club had been eliminated from the European UEFA Cup competition after it had lost, 3-1, in the first leg to Karlsruhe of Germany.

Fears that Brondby would miss out on lucrative TV money from the next round caused a collapse of the stock price, from 240 kroner ($37) to 165 kroner ($25). But against the odds, Brondby beat Karlsruhe, 5-0, in the away match, qualifying for the next round. The stock immediately jumped to 240 kroner in a day and has risen to a high of 370 kroner.

The jury is also still out on whether sports teams have turned the corner and are about to become profitable businesses. There are some skeptics who believe that teams are focusing too much on income from TV deals, merchandising and sponsorship and not enough on cost control.

"Wage and transfer-fee inflation is the biggest threat to profitability," said Dale Thrope, soccer analyst at Deloitte Touche, an accountancy firm that produces an annual survey of the finances of English soccer. "Historically, sports clubs have failed to control this inflation. There is always one club that is willing to buy success by paying top dollar for the best players. This forces every other team to do the same."

But others, such as Jay Stuart, editor of the respected Sports Investor newsletter, said: "We are in the early days of the reappraisal of soccer teams. Some clubs, like Manchester United, are genuine international brands. However, it is not an inexhaustible list of big brand clubs, and when you move away from the top names, it becomes more risky."

The merchandising potential of European soccer is enormous. Mr. Stuart noted that unlike American football, which is restricted to North America, soccer is an international game. Football had merchandising of more than $3.2 billion a year in the mid-1980s. But English soccer has only about $400 million, although it is among the leading brands in world soccer, with a unique, robust end-to-end style of play.

Investors can also buy a sports fund like the Momentum fund, which is up 77 percent since it was launched in May, or the $54 million Dublin-listed Singer & Friedlander Football Fund, which was started in February and is trading about 5 percent below its offering price.

Buying a fund has the advantage of spreading the risk. But it is not a pure investment in teams. Both Momentum and Singer, although primarily invested in teams, also have holdings in sporting goods companies.

For information on sports mutual funds, call:

- MOMENTUM PREMIER SPORTS PARTNERS, 44 171 581 5841.
- SINGER & FRIEDLANDER FOOTBALL FUND, 44 171 623 3000.

Buying a Stake In British Soccer

Ranking of teams by market capitalization, Jan. 31, 1997, in millions of British pounds

	Share price, in £	Market cap.
Manchester United	7.115	£461.8
Arsenal	4,000	224.0
Chelsea	1.54	206.0
Glasgow Rangers	5.85	195.0
Liverpool	6,000	185.0
Tottenham	527.5	125.5
Everton	3,200	120.0
Aston Villa	1,200	120.0
Caspian (Leeds)	0.44	119.0
Glasgow Celtic	400	115.0
Sunderland	7.525	61.3
West Ham	600	60.0
Sheffield United	0.855	42.4
Southampton	1.275	34.7
Manchester City	2.15	27.0
West Brom.	235	17.3
Preston	5.45	7.8
Millwall	suspended	n/a

Source: Sports Investor IHT

Buying What You Don't Want to Sell

JAMES GLASSMAN *ON INVESTING*

LATE IN 1990, Robert E. Torray started a mutual fund for the best possible reason: his friends asked him to.

Until then, he had just managed pension money for huge corporations like Boeing Co. and unions like Amalgamated Transit. He was posting an amazing record — a return of 493 percent for the past 10 years, according to CDA Investment Technologies (third-best among U.S. money managers), but he would not take individuals as clients because he did not have the staff to handle them.

Still, his friends wanted a piece of the action, and, to make them happy, he started the Torray Fund, never expecting it to amount to much. Was he wrong!

Assets have grown from $23 million in 1994 to $116 million at the end of 1996 to $180 million last week. New money is rolling in the door at the rate of $1 million a day, and Mr. Torray is thinking about closing the fund to new investors "at some point in the future, just when is hard to say."

It is not difficult to understand the success. The no-load Torray Fund, which is based in Bethesda, Maryland, has been producing high returns with low risk ever since it was launched. With that combination, I think it is one of the 10 best among diversified U.S. stock funds, with top ratings from Morningstar Mutual Funds (five stars) and Value Line ("1").

I admit to a personal bias: I like the Torray Fund because Mr. Torray's investing philosophy is similar to mine. Everyone should own a fund that is so sympathetic that it is almost personal, and the Torray Fund is the closest thing to a Glassman Fund I can imagine. Over the past five years, Torray has returned an annual average of 20.8 percent for its shareholders — nearly four points better than the benchmark Standard & Poor's 500-Stock Index.

If you had put $10,000 into the Torray Fund at the start of 1995, you would have more than $20,000 today.

The fund is consistent. It is ranked in the top 5 percent of all funds for the most recent six-month, one-year, three-year and five-year periods.

What is most remarkable is that Torray posts big numbers (up 50.4 percent in 1995, etc.) while keeping risk, or volatility, one-third lower than the average fund, according to Morningstar. The fund keeps tax liabilities low, too.

Mr. Torray keeps a small portfolio (just 43 companies at last count) that is highly concentrated (the top 10 stocks constitute 50 percent of assets). He owns mainly large-cap stocks, but size does not matter much. "Study businesses on a case-by-case basis," he says, "and pick the good ones."

• He buys stocks he believes are undervalued. Right now, for instance, a large holding is AT&T Corp., which represents a hefty 6.6 percent of the fund's portfolio. "I think it's an excellent company," he said. "It's a great brand name with good finances." It is also cheap, trading at a price-to-earnings ratio of 11, about half the level of the entire U.S. market.

• He holds his stocks for a long time. "I don't get into stocks that I want to sell to someone else," he says, coining a motto that investors should hang on their walls. In 1996, the fund's turnover rate was a mere 11 percent. That means Mr. Torray sells just one stock in nine each year. The average fund manager, by contrast, has a turnover rate of 84 percent.

• He pays no attention to the stock market as a whole. He was asked, "How much do you care what the market will do in the next year?" He answered: "Zero. In fact, I don't care what it will do in the next 20 years." He cares about his own stocks, not about the 10,000 others.

He admits that some of the stocks he currently owns have run up so high that their prices may have outstripped current economic fundamentals. One example is Johnson & Johnson. Mr. Torray paid $22 a share, and it is now $59, which comes to a P/E of 27. He was asked whether he was tempted to sell.

"I'm really not," he said. "All I do is look at the business. J&J is an outstanding business. It's a bull-market price, but if I sell, my shareholders will have to pay taxes. And if I had to find a replacement that's better than Johnson & Johnson, I couldn't."

So he is holding his big winners, including drug companies (Bristol-Myers Squibb, Eli Lily) that he bought when the market pummeled them in 1993 and 1994, in anticipation of the Clinton health plan. With the new money flowing into the fund at the rate of about $1 million a day, he is buying stocks that he deems cheap: AT&T and three cable companies, US West Communications Group, Cox Communications Inc. and Tele-Communications Inc. "Almost everyone has soured on them," he says, happily.

Washington Post Service

For further information, call:

- TORRAY FUND, 1 301 493 4600

Asian Property: Deal at Your Own Risk

Continued from Page 17

executive at the Jones Lang Wootton real estate agency.

In Jakarta, where all land is owned by the Indonesian government and leased out, foreigners have no access to the best land-use rights. Also, foreigners buying residential property in Indonesia must live in it or sell immediately. In the office market, bad zoning and lax enforcement mean that much new office space can crop up, which can send prices plunging, according to the Colliers Jardine agency.

There is an easier way to invest in Asian property. Global Property Research of the Netherlands said that over the last decade, the total world-wide market capitalization for real estate companies has ballooned to $240 billion from $20 billion. Investing in real estate through equities is now an alternative to signing a deed, and it can mitigate a lot of risk.

IN MANY Asian stock markets, property has been the thing to own in recent years. The Hang Seng Property sub-index has outperformed the entire Hang Seng Index by 11.8 percent since the beginning of February 1993. In that time — one entire boom and bust cycle in Hong Kong real estate — it also has outperformed the Standard & Poor's 500-stock index in the United States by 47 percent.

Property has also outperformed the entire market in Singapore and Indonesia, but lagged in Australia and Thailand, where the SET Property subindex underperformed Thailand's entire SET index by 53.6 percent since Feb. 26, 1993. With domestic interest rates of about 13 percent, the cost of financing Thai real estate is prohibitive. Compounding the problem is a vacancy rate of about 20 percent for newly built residential properties.

But when Asian land markets are good, they sparkle. In the four years to Feb. 1, the Hang Seng Property subindex and its Singapore counterpart outperformed the Morgan Stanley Far East Index by 165 percent and 135 percent, respectively. Morgan Stanley's index for Asia excluding Japan did better, but was still far short of the two property bull markets.

These numbers sound impressive, but you have to pick your market. From March 1992 to Feb. 1 of this year, Global Property Research's Far East Securities Total Return Index, which tracks 99 Asian property developers and investors across the region, underperformed the S&P 500 by 2.8 percent.

As for mutual funds, only one Asian mutual fund is listed by the research company Micropal in the real estate category: CIBC-CEF Pacific Property Shares Fund in Hong Kong. It returned just 0.46 percent in the last year, and lost 15.5 percent in the last three years.

The Allure of the Options Option

By Iain Jenkins

WITH STOCK prices in many of the world's markets at high levels, many investors are wondering whether it is time to head for the sidelines. But who wants to miss a further rally?

Options offer strategies to help small investors hedge their bets or to speculate on the market's direction without taking excessive risks.

Many brokers report that clients tend to treat options like gambling.

"Traded options can be a very conservative instrument, but most private investors use them to bet on whether the market or a stock goes up or down," said Liz Wynne-Roberts, head of traded options at Panmure Gordon in London. "That is a risky game."

What keeps the speculators coming back is the lure of huge profits if they get it right. You do not need a huge amount of capital to make a fortune. A $5,000 investment in a call option that goes right, with the market rising 5 percent in a month, might earn an investor more than $30,000.

"The problem is that when you are taking a view on a stock or index, you need a reasonable movement before you make money," said James Bateman, a dealer at the London broker Options Direct. "It can be done, but the odds are against you, not least because time value is eroding. The odds are more in your favor if you write, or sell, an option."

Mr. Bateman said that most people react in horror if you tell them to write an option, because it suggests that they are taking on huge, unquantifiable risks. Option buyers can only lose their initial investments; option writers face theoretically unlimited losses.

"It is true that if you write naked options, then you run the risk of getting it wrong and making a big loss," he said. "But we would never recommend anyone does that. However, it is possible to write options without taking huge risks. And writing options is better than buying them because the erosion of time is working in your favor."

Take this example, which will be relevant to many investors today: You own a portfolio of 15 blue-chip stocks. You may be worried that markets around the world are overvalued but you do not want to sell your stock because in the long term you think you own some good companies.

A solution would be to write covered call options on your stocks. If you own 500 shares in a company that is trading at $14.50 you could write or sell five $16 July calls (each option covers 100 shares in America). You are betting that your stock does reach $16 by July. You sell each of the five options for $250, initially pocketing $1,250.

If the price of your stock does not rise above $16, you keep the $1,250. If it does rise past the strike price, the option buyer will want you to deliver the 5,000 shares at the $16 price. As you already own the stock, it is not a problem for you to do so. Not only is it not a problem, it is also a profit.

You would be selling the stock at $16 when you had thought that the stock was too high at $14.50.

Anyone who thinks that this strategy is too conservative can step up the risk by writing a spread. You think the market is more likely to rise, but you do not own a stock — or the stocks in an index — on which you want to write an option. This opens you to unlimited risk, but you can cap it buy writing a call at one price and simultaneously buying a call at a higher price.

"You don't want unlimited risk if the market continues to rise," said Paul Duncombe, a fund manager specializing in currency strategies at State Street Global Advisors. "The trick is to clearly define your risk by setting the maximum amount you are willing to lose."

It works like this: You are willing to lose a maximum of $4,000. So you sell your call at, say, 100 points above the current index price, which means that you make money if, as you expect, the market stays still or falls. This is because you keep the premium of, say $2,000, that you get for writing the option.

To avoid being seriously out of pocket if you are wrong and the market rises 300 points, you also buy for, say, $1,000 a call at 150 points above the current index price to cap your loss. If the market then rises 300 points you only lose the $5,000 that is uncovered (the difference between 100 and 150 points on the index). But you have already netted $1,000 on your options buying and selling, so your maximum loss would be $4,000.

Betting on a Cleanup

Continued from Page 17

Vancouver exchange is leading the way. And aggressively positioning itself as a venture-capital exchange, Vancouver is seeking to be the starting point for these companies.

At the end of 1996, 139 high-tech companies and 44 health-sector concerns were being traded on the exchange. The volume of shares traded for each sector was 600.6 million and 251.9 million, respectively, on share values of $613 million and $203 million.

Many of these companies may be unknown to foreign investors, but several recent graduates have impressed investors on larger exchanges.

An example is Vancouver-based Ballard Power Systems Inc., the world's top supplier of the prototype fuel cells essential to power experimental electric vehicles produced by several major automakers, including Daimler-Benz AG and Honda Motor Co. Ballard now trades on the NASDAQ system and on the Toronto Stock Exchange.

Another example is QLT PhotoTherapeutics Inc. It is the only company with approval to sell photodynamic therapy drugs in Canada, the United States, Europe and Japan. The drugs, used in connection with a light-sensitive device, can break down cancerous cells without harming healthy ones and are seen as an alternative to radiation therapy. QLT also has left Vancouver for NASDAQ and the Toronto bourse.

INVESTORS INTERESTED in contacting brokerage houses that trade Vancouver stocks can call the exchange at 1 604 689 3334 and ask for the marketing group.

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** Per MAR Magazine Dec. 1996 issue*

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WORLD ROUNDUP

Cigar Blows Smoke

HORSE RACING The two-time Horse of the Year Cigar is having much less success in his new role of stud.

Cigar, who turned 7 in January and was voted racing's top horse in 1995 and 1996, failed to make any of the 36 mares bred to him pregnant.

Ashford Stud farm announced the news, but stopped short of saying Cigar was sterile. "Some horses that come off the racetrack are slow to start," said the farm's manager, Barry Simon. "Rather than for rumors to start, we decided to go ahead and make the announcement."

Simon said that 16 of the mares bred to Cigar had been tested and none were pregnant. He said that figure was expected to increase as more ultrasound tests were performed in the next 10 to 20 days on the other mares.

Allen Paulson, who owned Cigar during his racing career, told the Daily News in New York: "All I can say is that it's a shock. We were counting on his babies awful badly." *(AP)*

Wiberg Captures Title

SKIING Pernilla Wiberg of Sweden wrapped up the women's World Cup overall title Friday by finishing third in a super-G in Mammoth Mountain, California, that was won by her closest competitor, Katja Seizinger of Germany.

Wiberg's third place was worth 60 points and increased her season total to 1,615 — 11 more than Seizinger, the 1996 overall winner, could accumulate even by winning this race and the five others on the schedule. Her victory, in a time of 1 minute, 16.08 seconds, increased her overall total to 1,104.

Wiberg failed, however, to wrap up the season super-G title. Hilde Gerg of Germany ensured that battle would continue in the World Cup Finals at Vail, Colorado, next week by placing second on Friday. *(AP)*

Bayern Player Stricken

SOCCER Dietmar Hamann, a 23-year-old Bayern Munich midfielder, has suffered a stroke but is expected to make a full recovery, a club spokesman, Markus Hoerwick said Friday.

Hamann collapsed at home Thursday evening and the left side of his body was partially paralyzed. The paralysis disappeared by midnight, about four hours after the stroke, Hoerwick said.

"These were circulatory disturbances. The X-rays revealed no embolism," Hoerwick said. "There will be no permanent damage. But we can't say how long he has to remain hospitalized and when he can play again," he said. *(AP)*

Leonard Unretires Again

BOXING After being beaten by Hector Camacho, Sugar Ray Leonard told the world he was ready to retire, this time for good. "My career is definitely over," he said last weekend. Now, he has changed his mind — again. "I'm not retiring," Leonard, 40, said in a television interview Thursday. "First and foremost is to get my leg right and go through a series of runeups to get myself back to where I was two months ago." *(AP)*

Kenyan-Born Dane Sets a World Record

Kipketer Triumphs in 800 Meters As Devers Wins Amid Controversy

By Ian Thomsen
International Herald Tribune

The first world record was set, most unexpectedly, by a black Dane. The sprinting gold medals went to a Greek male and an American woman, the champion Gail Devers, who earlier in the day had not apparently qualified for the final. The world indoor championships were off to a rousing start.

The record-setting Dane was Wilson Kipketer, who was born in Kenya but has been living for several years in Copenhagen. His time of 1 minute 43.96 seconds in the 800 meters came in a first-round heat — the first world record set in the preliminary round of a world championships, indoors or outdoors.

It also happened to be his first race indoors this year. He hadn't been planning to run in Paris but was convinced by the former Kenyan champion, Mike Boit, with whom Kipketer trains.

"It was not my plan to demolish the field or the record," Kipketer said. "I set out simply to run a safe race. I am in such good condition that I just wanted to get this heat finished without any problems. The record is a bonus."

A $50,000 bonus, that is, as Kipketer became the first world champion to be paid by the international athletic federation for his efforts. (Kipketer will not receive additional bonuses if he breaks his world record, in Sergei Bubka style over the two remaining rounds).

Kipeter, who was prevented from running in the Olympics last summer because he couldn't earn Danish citizenship in time, might be one of the most motivated athletes in the world. The previous world record, 1:44.84, had been set by his former countryman, Paul Ereng seven years ago.

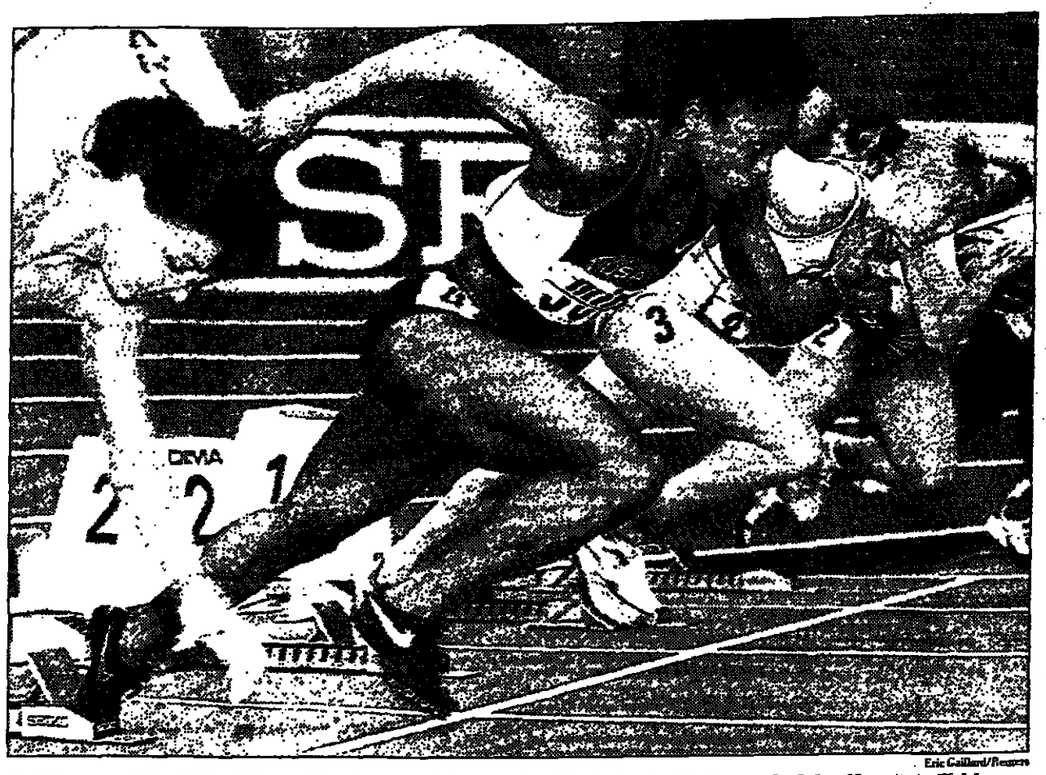
As usual in the women's 60 meters, Devers was the champion of a controversy. For two minutes in the late afternoon, the scoreboards at each end of the lounge-red darkness of the Bercy arena had rated Devers in third place in her semifinal heat. This despite the fact that Devers was credited with a time of 7.15 seconds, which was as fast as the apparent second-place finisher, Ekatarini Thanou of Greece.

According to the IAAF, a more thorough examination of the photo finish indicated that Devers had in fact run a time of 7.142 seconds, which was seven-thousandths of a second faster than Thanou and thus kept Thanou out of the final. The Greeks filed a protest on behalf of Thanou and were denied, just as the Jamaicans were denied when they protested photo finishes at the 1993 World Championships and last summer's Olympics that resulted in gold medals for Devers and silver medals for Merlene Ottey.

Ottey, suffering from a hip injury, decided against trying to defend her 60 meter title on Friday.

Such controversy takes nothing away from Dever's achievements, but it does make them more interesting than the typical straight line. She won the 60 meters in 7.06 seconds after the early-rounds favorite, Irina Privalova of Russia, pulled up with an apparent knee injury while leading — barely — at 40 meters. After winning, Devers bounced off the back wall and cradled Privalova's head.

A few minutes later came the biggest surprise of all, as the 22-year-old Greek Haralambos Papadias stayed ahead of the favorites across the finish line. Afterward, he turned and held his fists out before him in a kind of pose while the photographers, naturally, turned their attention to the second and third place men. Papadias became the first white man to win a sprint at a major global event since Alan Wells of Scotland won the 100 meters at the 1980 Olympics.



Eric Gaillard/Reuters
Gail Devers of the United States blasting out of the starting blocks in the first round of the 60 meters Friday.

GAMES: *5 Finalists for Olympic Pageant*

Continued from Page 1

one," said Primo Nebiolo, the IOC member, international athletic federation president and unofficial caretaker of the Rome bid. "The second will be much tougher."

On Friday, the new South Africa merely celebrated the announcement as acknowledgment of the hard changes undertaken by Mr. Mandela so far. During a huge open party Friday at the city's Waterfront, "Cape Town, Cape Town," was being chanted by several thousand citizens of one of the world's most notoriously divided countries.

"It is a validation of our capabilities and an expression of confidence in Africa as a continent with a bright future," Mr. Mandela said in a statement. "The prospect of an Olympic Games in Cape Town presents South Africa with yet another challenge to play an active role in the African Renaissance."

By winning the election, Cape Town would be agreeing to build in relatively quick order transportation routes, housing and dozens of athletic facilities demanded by the world's biggest sporting circus. This week, city officials tried to assure the IOC, perhaps naively, that its crime problem would be under control within three years. The IOC's selection college did not, mercifully, limit itself to the technical merits of each bid.

"There were geopolitical considerations," said Marc Hodler of Switzerland, the senior IOC vice-president who headed the 14-member selection college that drew up the short-list. "We have added other considerations. One of them was that Africa has become a great sports continent."

The election could be turned upside down in the next few months by a scandal in one of the potential host countries, or by missteps from the bid committee's lobbiers. Unknown at this stage are the political alliances that will be formed behind the scenes by some IOC members.

Six cities — Istanbul, Lille, Rio de Janeiro, San Juan, Seville and St. Petersburg — were knocked out of the record field of 11 candidates. Some of them called for the IOC to improve the current system of short-listing, which was enacted to prevent lowly-rated candidates from wasting millions of dollars on hopeless bids. The losing cities said they had already spent most of their budget anyway.

The sorest nonfinalists appeared to be Istanbul and St. Petersburg. "Are we seeing here the emergence of a Christian crusaders' mentality?" said Erman Tuncer, an official of the Istanbul delegation.

"The two-billion strong Muslim community of the world is being excluded from the Olympics."

A Game Played, a Secret Revealed

By Peter Berlin
International Herald Tribune

PARIS — Soccer has a guilty little secret that was shoved quickly behind the furniture when the United States came scampering up in the 1980s, offering to be host to the World Cup.

While the global soccer community was thrilled by the idea of winning over U.S. television networks and their huge audience — and by the thought of attracting U.S. corporate sponsors and advertisers — the problem was that Americans kept asking why soccer games regularly finished as 0-0 draws.

The stock answer was that, to the connoisseur, a goalless game can be every bit as thrilling as one that offers as many as two or three goals. But those who have grown up with soccer know the dark truth. A 0-0 game, even between teams of the highest ability, can also be deeply tedious.

On Thursday night, Paris-St. Germain and AEK Athens, two teams of not quite the highest ability, provided a spectacle as mind-grindingly dreary as any in sport. Both teams were flattered by a score of zero.

The fans must have suspected what was coming, because even though it was a quarterfinal match of the European Cup Winners Cup and was shown in France only on Canal Plus, a French subscription channel, only 21,000 showed up, a large minority being the raucous Greek fans who follow their teams all over Europe.

Part of the problem is the two-game format of the competition. At times it seemed that both teams were happy with 0-0, which left the contest to be decided in Greece in two weeks.

AEK had come to defend. PSG, which won this competition last year, was incapable of breaking through. Great teams can overcome massed defenses, but PSG is merely a good team. It prefers to counterattack and became disheartened when the Greeks refused to be rattled on defense. PSG will probably be more comfortable in the away leg when AEK must show more aggressiveness.

PSG's plan A was to aim high crosses at the head of Dely Valdes, its leaping center forward. He managed one header on goal — PSG's only strike on target in the whole first half. The ball flew straight at Ilias Atmasidis, the AEK goalkeeper, but he fell as he caught it and nearly took it into his own goal.

Plan B was to hope that the ball somehow dropped to Patrice Loko, the team's one top class outfield player, in the penalty area. His chance came midway through the second half when he tried to slip the ball past Atmasidis from one yard out. The goalkeeper saved with his legs, and then blocked again as Loko drove the rebound at goal. That was it for PSG.

There was no plan C.

Having played with characteristic listlessness for the first 80 minutes, PSG then sank into an equally typical depression at the end, but AEK was incapable of exploiting the counterattacking opportunities it was offered.

The Greeks seemed to be so utterly focused on defending in numbers when PSG had the ball, that they could not cope when possession switched. Throughout, their ball play was pitifully inept, their ball control was poor and their passing hopeless. As PSG disintegrated, AEK seemed not to grasp that now it had the chance to seize control.

Last year in the European Cup semifinal, Panathinaikos of Greece played a similar game against Ajax in Amsterdam. But Panathinaikos had strikers of the quality of Georgios Donis and Krisztos Warzycha in attack, and when Ajax faltered, they scored and won by a 1-0 score.

Ajax then won in Greece, 3-0, which should give PSG hope. That match in Amsterdam was an absorbing game of cat and mouse. On Thursday night, PSG and AEK were both mice.

Brann Bergen 1, Liverpool 1 In Norway, Mons Ivar Mjelde, Brann's leading scorer, started the game on the bench as coach Kjell Tennfjord opted to play just one striker. Mjelde came on at halftime with his team trailing. In the 47th minute, he came close to scoring, and in the ensuing action Geir Hasund scored. Robbie Fowler had hammered Liverpool ahead in the ninth minute.

Benfica 0, Fiorentina 2 In Lisbon, Fiorentina completed an excellent week on the road for Italian teams. Inter Milan had tied, 1-1, in Brussels against Anderlecht on Tuesday in the UEFA Cup, and Juventus had duplicated that result in Trondheim against Rosenborg on Wednesday, but Fiorentina trumped both with a victory in the Stadium of Light. Francesco Baiano scored the first goal and Gabriel Batistuta kicked in the second.

Barcelona 3, AIK Solna 1 In Barcelona, Pascal Simpson gave the Swedes a surprise lead in the first minute of play. Gheorghe Popescu leveled in the 2d minute for Barcelona, and Ronaldo and Juan Pizzi scored in the second half.

Albert Olivet/Agence France-Presse
FC Barcelona's Ronaldo, right, breaking free against AIK Solna.

Formula One Season Set to Roar Off

By Brad Spurgeon
International Herald Tribune

As the Australian Grand Prix kicks off a new Formula One season in Melbourne on Sunday, Jacques Villeneuve is the favorite for the drivers' title. But his new Williams teammate, Heinz-Harald Frentzen, has been only two tenths of a second behind in testing, and is quickly adapting to his new team.

Michael Schumacher calls Frentzen the better driver. Should Villeneuve not win the title in his world championship car — after being second last year — he might have a hard time finding a good team next year.

"There are not many places to go after Formula One," he said recently. "So this place is where I'm likely to stay longer than in the past, but it depends how things work out."

Some say that Damon Hill, the outgoing Williams world champion, has been seen more often drinking tea in the pits than driving his new Arrows car that has had technical problems. At 36, if Hill shows no good results — to say nothing of a victory — retirement will probably be next year's only option.

The oldest driver, Gerhard Berger, 37, is in a similar situation. After his team, Benetton, won championships in 1994 and '95, it lost its star driver, Schumacher, and last year did not win a race. Both Berger and his teammate, Jean Alesi, 32, are now obliged to win.

"This is his last chance," said Flavio Briatore, Benetton's general manager, in January of Alesi. "He has to show that he is not only talented but that he is a Formula One driver."

Alesi has won only once in 118 races.

At Alesi's old team, Ferrari, it is a crucial year as well. Having hired Schumacher in 1995, Ferrari set a goal of two or three victories in 1996, followed by the constructors' title in '97. After a bad start last season, they won three races mostly due to Schumacher's talent. His contract was promptly extended and Ferrari's championship ambitions were delayed to '98.

The team is to race Sunday with an old engine, however, after the new one proved unsound in testing.

"We just want to do a little better than last year," said Jean Todt, Ferrari's director, last week on French television. "I know that is unreasonable to ask."

Todt was criticized by the Italian press last year, and this week it was reported that he knew his job was on the line. "I'm convinced that I've done my best," he was quoted as saying.

Eddie Jordan's team has been the eternal hopeful since it started in 1991, when it hired Schumacher for his first race. It quickly lost him to Benetton, however, and has now hired Schumacher's younger brother, Ralf.

This year Jordan almost lost its powerful Peugeot engine to Alain Prost's new team, Prost Grand Prix. Prost bought the Ligier team last month and signed an exclusive partnership with the French engine manufacturer that begins in 1998. After much politicking, Jordan managed to get Peugeot to allow him to negotiate for the engine next year.

"I think the first five Grand Prixs of the season will be determinant to the rest of our association," Jordan said recently. This season , Prost will use the Mugen-Honda engine.

"Starting tomorrow we will be adversaries for a year," said Prost of his relationship with Peugeot at a press conference announcing the partnership. "We will have to get the best results possible not only for ourselves and our relations with Mugen-Honda, but also the quality of our results this year will have an effect on the amount of budget we will get next year with Peugeot."

Two other new teams are Jackie Stewart's, and Lola, returning after several years' absence. Stewart has the backing of Ford Motor Co., and results are expected.

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SPORTS

Utah Advances To Semifinals In the West

The Associated Press

For Keith Van Horn, it was the perfect ending. For Dale Brown, the end came too soon.

Van Horn, projected as a top pick in the NBA draft, made the biggest play of his college career, tipping in a lob pass at the buzzer Thursday night to give No. 3 Utah a 59-58 victory over Southern Methodist in the Western Athletic Conference tournament.

Only three-tenths of a second remained when the Utes inbounded under the basket. Andre Miller lofted the pass,

College Basketball

and the 6-foot-10-inch (2.0 meter) Van Horn reached back over his head to make the tip from the mid-lane.

Brown's 25-year coaching career at Louisiana State, however, came to a close with a 75-54 loss to No. 24 Georgia in the first round of the Southeastern Conference tournament.

Utah (24-3) held SMU scoreless for the final 8:20 to advance to the Western Athletic Conference semifinals in Las Vegas.

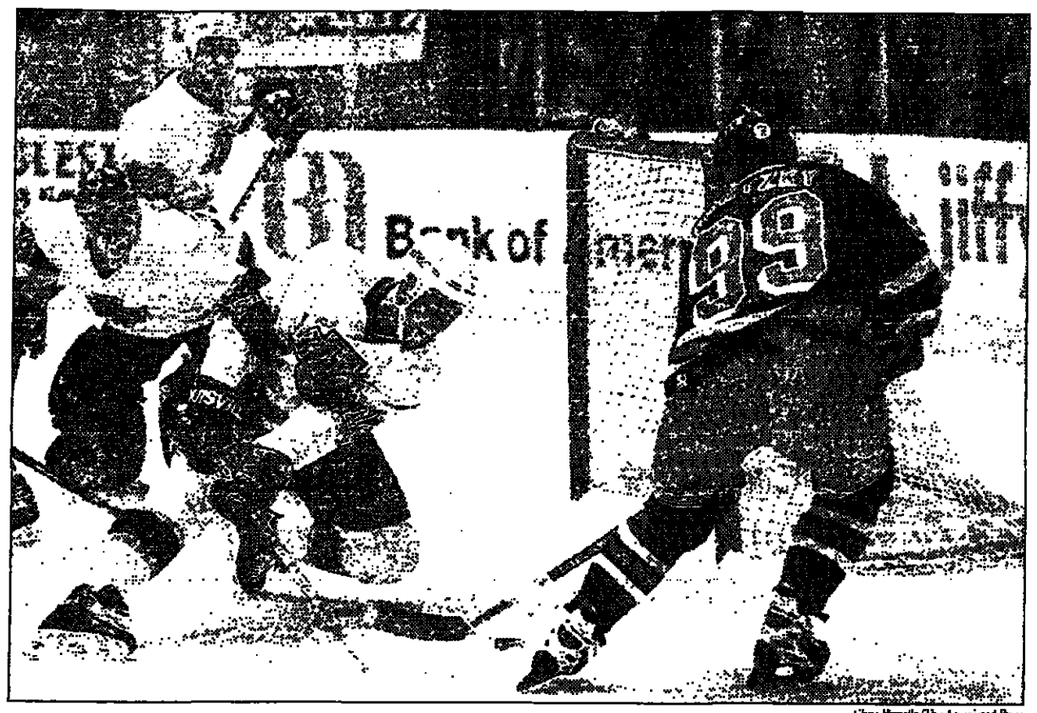
No. 2 Minnesota 81, Michigan State 74 Sam Jacobson scored 18 points and Minnesota finished 14-0 at Williams Arena, its first perfect home record since 1948-49. The Big Ten champion Golden Gophers (27-2, 16-1) won their 12th in a row overall.

No. 9 UCLA 87, Washington 85 Charles O'Bannon scored a career-high 31, and UCLA rallied from 16 points down in the first half to win on the road.

No. 23 Stanford 81, No. 12 Arizona 80 Peter Sauer hit a baseline jumper with six seconds left as Stanford stunned Arizona.

No. 21 Villanova 80, Syracuse 70 Tim Thomas scored 20 points as Villanova (22-8) advanced to the semifinals of the Big East tournament at Madison Square Garden in New York. Syracuse (19-12) trailed 64-61 with 6½ minutes left before the Wildcats pulled away.

In other Big East games, Georgetown downed Miami 63-59, Providence beat West Virginia 76-69 and Boston College defeated Pittsburgh 76-68.



Chris Pizzello/The Associated Press

Wayne Gretzky of the Rangers, right, failed to score on this shot against the Kings, but he tallied later in the game.

Rice's 48 Help Hornets Sting Celtics

The Associated Press

Glen Rice scored a franchise-record 48 points, and Anthony Mason had his second straight triple-double as the Charlotte Hornets beat the Boston Celtics, 122-121, in overtime.

Tony Smith's lay-up off an assist from Mason with 39.5 seconds left provided the winning points on Thursday night, after visiting Boston had taken a 121-120 lead on Marty Conlon's drive with 51 seconds left in overtime.

Eric Williams scored 25 points to lead six Celtics in double figures, but he lost the ball in the lane with three seconds left on Boston's last possession. Dell Curry then dribbled out the clock.

Bullets 99, Heat 95 Tracy Murray scored a season-high 22 points, and Washington overcame a 15-point fourth-quarter deficit to beat host Miami and knock the Heat out of first place in the Atlantic Division.

Murray scored 16 points in the fourth quarter, including four 3-pointers, as Washington won its third in a row.

Hawks 117, 76ers 104 Christian Laettner, Steve Smith and Dikembe

NBA Roundup

Mutombo all had double digits in points and rebounds, and all five Atlanta starters scored in double figures as the visiting Hawks beat Philadelphia.

Laettner had 23 points and 12 rebounds, Smith 25 points and 10 assists, and Mutombo 12 points and 12 rebounds. Tyrone Corbin and Mookie Blaylock each chipped in 15 points.

Nets 102, Grizzlies 96 Sam Cassell had 26 points and 10 assists to lead New Jersey over host Vancouver as the Nets sent the Grizzlies to their eighth straight loss. Kendall Gill scored 22 for the Nets, rookie Kerry Kittles chipped in 21, and Xavier McDaniel, coming off the bench, had 12 points and 11 rebounds.

The Nets, who pulled down 61 rebounds in beating Vancouver 111-105 last month, outboarded the Grizzlies on Thursday by 56-31.

Magic 94, Clippers 93 Anfernee Hardaway's bank shot with 2:11 left put Orlando up by three points, and the visiting Magic held on to beat Los Angeles.

After the Clippers' Rodney Rodgers hit a baseline jumper with 1:46 remaining, neither team scored again.

Dynamic Duo Redux

Gretzky and Messier Lift Rangers

By Jay Privman
New York Times Service

INGLEWOOD, California — During their years with the Edmonton Oilers in the 1980s, Wayne Gretzky and Mark Messier terrorized the Los Angeles Kings on a regular basis.

On Thursday night, playing at Los Angeles for the first time since being reunited with the New York Rangers, Gretzky and Messier recaptured the magic. They were involved in five of six goals during a 6-2 blowout of the Kings.

Gretzky had one goal and one assist, and Messier assisted on three goals —

NHL Roundup

two while short-handed — as the Rangers won their second consecutive game. Gretzky was playing at Los Angeles for only the second time since the Kings traded him to St. Louis last season. He was greeted by vociferous booing last season, but the reaction was mixed this time.

He seemed energized by his return, and his quickness led to the Rangers' first goal, at 4 minutes 2 seconds of the first period. On a power play, Gretzky eluded the defense and tapped in a loose puck lying in the crease after a shot was stopped initially by the Kings' goalie, Byron Dafoe. Bruce Driver started the play with a shot from the left point that was deflected by Chris Ferraro. The puck trickled through Dafoe's legs, and Gretzky pounced on it.

The Rangers scored three more unanswered goals, twice while shorthanded. Messier was the catalyst on all three. He set up the Rangers' second goal while on a two-on-one break with David Oliver.

Messier picked up an outlet pass from Brian Leetch and skated into the Los Angeles zone before feeding a cross-ice pass to Oliver. Although he was nearly past the goal line, Oliver dug the puck out of his skates and flipped a backhand shot that grazed Dafoe's mask and caromed into the net.

Both of the Rangers' short-handed goals came in the second period. New York went ahead by 3-0 when Bill Berg converted on a two-on-one break with Messier at 6:09. Later in the period, Messier again seized the opportunity when the Kings' defense pinched in on the power play. He broke out of the zone on a two-on-one break with Niklas Sundstrom, and held on to the puck the length of the ice before flipping it to Sundstrom, who redirected it past Dafoe.

In other games, The Associated Press reported:

Capitals 6, Avalanche 3 Peter Bondra ended his slump with four goals, and Joe Juneau added four assists to lift Washington over Colorado.

Bondra became the first player this season to get a hat trick against the Avalanche and the first to score four goals against the franchise since November 1993. He scored three goals in less than nine minutes as the Capitals scored a season-high four in the second period on only nine shots against Colorado's goaltender, Craig Billington.

Coyotes 5, Lightning 0 Nikolai Khabibulin stopped 30 shots, and Mike Gartner scored goals against two Tampa Bay goaltenders as Phoenix breezed to victory over the host Lightning.

The Coyotes snapped a seven-game (6-0-1) home unbeaten streak for Tampa Bay, which hadn't lost at the Ice Palace since Buffalo visited on Feb. 8.

Islanders 5, Bruins 2 Claude Lapointe and Marty McInnis each had a goal and assist as the host Islanders beat the Bruins in a battle of the two worst teams in the Eastern Conference.

Derek King, Todd Bertuzzi and Dan Plante also scored for the Islanders, who now trail eighth-place Hartford by five points in the playoff hunt. Tommy Salo notched his 14th victory with 30 saves. Tim Sweeney and Ted Donato scored for the Bruins.

Sharks 2, Senators 0 Ed Belfour maintained his knack for shutting out Ottawa by stopping 29 shots to lead San Jose to victory.

Belfour, acquired by San Jose in a trade with Chicago on Jan. 25, extended his career record to 5-1-1 against the Senators, including three shutouts. He also shut out Ottawa on Nov. 10 while with the Blackhawks.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
New York	45	16	.737	—
Miami	44	16	.733	½
Orlando	32	26	.552	11½
Washington	28	31	.475	16
New Jersey	18	41	.305	26
Philadelphia	15	44	.254	29
Boston	12	48	.200	32½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	52	7	.881	—
Detroit	44	15	.746	8
Atlanta	40	19	.678	12
Charlotte	39	22	.639	14
Cleveland	33	26	.559	19
Indiana	29	30	.492	23
Milwaukee	25	34	.424	27
Toronto	20	39	.339	32

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	43	16	.729	—
Houston	40	20	.667	3½
Minnesota	29	29	.500	13½
Dallas	19	39	.328	23½
Denver	18	42	.300	25½
San Antonio	13	46	.220	30
Vancouver	11	51	.177	33½

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	41	17	.707	—
L.A. Lakers	40	19	.678	1½
Portland	33	28	.541	9½
Sacramento	28	32	.467	14
L.A. Clippers	25	32	.439	15½
Phoenix	22	37	.373	19½
Golden State	21	37	.362	20

THURSDAY'S RESULTS

Atlanta 29 31 24 33—117
Philadelphia 22 24 22 36—104
A: Smith 7-18 8-9 25, Laettner 9-16 5-7 23; P: Coleman 9-18 4-5 23, Iverson 7-16 3-3 20. Rebounds—Atlanta 52 (Laettner, Mutombo 12), Philadelphia 49 (Weatherspoon, Coleman 9). Assists—Atlanta 27 (Smith 10), Philadelphia 23 (Iverson 5).

Washington 24 22 17 36— 99
Miami 21 29 26 19— 95
W: Murray 8-14 2-2 22, Strickland 4-12-11-16 19; M: Mashburn 6-17 5-7 19, Austin 7-13 5-5 19. Rebounds—Washington 59 (Howard, Muresan 8), Miami 45 (Brown 10). Assists—Washington 24 (Strickland 11), Miami 22 (Hardaway 7).

Boston 29 33 26 25 8—121
Charlotte 27 28 28 30 9—122
B: Williams 9-20 7-10 25, Walker 9-16 1-3 20; C: Rice 18-27 7-8 48, Divac 10-18 3-4 23. Rebounds—Boston 54 (Conlon 9), Charlotte 50 (Divac 18). Assists—Boston 23 (Wesley 9), Charlotte 33 (Mason 12).

New Jersey 26 28 33 23—102
Vancouver 28 17 26 25— 96
N.J.: Cassell 10-19 4-5 26, Gill 7-15 8-10 22, Kittles 8-14 1-1 21; V: Peeler 6-21 7-8 24, Abdur-Rahim 9-21 4-4 23. Rebounds—New Jersey 63 (McDaniel 11), Vancouver 40 (Reeves 12). Assists—New Jersey 19 (Cassell 10), Vancouver 24 (Peeler 9).

Orlando 26 21 28 19— 94
L.A. Clippers 28 27 18 28— 93
O: Hardaway 10-18 1-2 21, Scott 7-17 0-0 19; L.A.: Vaught 13-20 2-2 28, Martin 5-7 5-6 16. Rebounds—Orlando 57 (Grant, Selkaly 11), Los Angeles 48 (Vaught 12). Assists—Orlando 16 (Hardaway 8), Los Angeles 17 (Dehere 6).

EUROLEAGUE

FIRST LEG, ELIMINATION ROUND
Partizan Belgrade 71, Olympiakos 81
Efes Pilsen 76, Maccabi Tel Aviv 67
Alba Berlin 77, FC Barcelona 95
Stefanel Milan 67, Kinder Bologna 59
Cibona Zagreb 61, Smelt Olimpija 58
Panathinaikos 68, Limoges 67.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	37	18	10	84	217	167
New Jersey	34	18	12	80	177	148
Florida	29	21	15	73	175	152
N.Y. Rangers	30	27	9	69	215	185
Tampa Bay	26	31	7	59	178	199
Washington	26	32	7	59	166	182
N.Y. Islanders	22	33	10	54	176	194

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	34	20	10	78	188	158
Pittsburgh	31	28	5	67	223	212
Hartford	25	30	9	59	180	200
Montreal	24	31	11	59	205	236
Ottawa	21	31	13	55	179	193
Boston	21	35	9	51	188	233

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	39	23	4	82	200	161
Detroit	31	19	14	76	203	149
Phoenix	30	22	4	64	189	201
St. Louis	28	30	8	64	194	202
Chicago	26	30	10	62	172	166
Toronto	25	37	3	53	192	227

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	41	17	8	90	226	161
Edmonton	30	29	7	67	207	199
Anaheim	27	30	8	62	188	190
Calgary	27	33	7	61	177	193
Vancouver	25	34	3	59	203	222
Los Angeles	24	35	8	56	178	220
San Jose	23	35	7	53	168	214

THURSDAY'S RESULTS

Boston 2 0 0—2
N.Y. Islanders 2 2 1—5
First Period: New York, King 21 (Green, McCabe) 2. B-T.Sweeney 5 (D.Sweeney) 2. B-Donato 25 (Kennedy, Bourque) (sh). 4. New York, Berrizzi 4 (Andersson, Smolinski) (pp). Second Period: New York, Lapointe 9 (McInnis, Kruse) 6. New York, McInnis 20 (Lapointe) Third Period: New York, Plante 2 (Webb, Pilon) Shots on goal: B-18-10-4—32. New York 9-13-8—30. Goalies: B-Carey. New York, Salo.

Colorado 1 2 0—3
Washington 1 4 1—6
First Period: W-Oates 20 (Tinordi, Juneau) 2. C-Forsberg 17 (Lemieux, Foote) Second Period: W-Bondra 37 (Nikolishin, Pivonka) 4. C-Ricci 11 (Yelle, Keane) 5. W-. Pivonka 5 (Juneau) (pp). 6. C-Kamensky 21 (Lemieux, Forsberg) 7. W-Bondra 38 (Juneau, Housley) (pp). 8. W-Bondra 39 (Tinordi, Ramford) Third Period: W-Bondra 40 (Juneau, Cote) (pp). Shots on goal: C-11-12-8—31. W-15-9-6—30. Goalies: C-Billington. W-Ranford.

Phoenix 1 3 1—5
Tampa Bay 0 0 0—0
First Period: Phoenix, Janney 11 (Numminen, Roenick) Second Period: Phoenix, Drake 10, 3. Phoenix, Tverdovsky 9 (MacIver, Ronning) (pp). 4. Phoenix, Gartner 30 (MacIver, Tverdovsky) (pp). Third Period: Phoenix, Gartner 31 (Ronning, Tkachuk) Shots on goal: Phoenix 12-10-12—34. T- 7-14-9—30. Goalies: Phoenix, Khabibulin. T-Taboracci, Schwab.

Ottawa 0 0 0—0
San Jose 1 0 1—2
First Period: S.J.-Kozlov 13 (Nicholls, Friesen) (pp). Second Period: None. Third Period: S.J.-Granato 18 (Guolla) Shots on goal: O-17-5-7—29. S.J.-11-6-8—25. Goalies: O-Tugnutt. S.J.-Belfour.

N.Y. Rangers 2 3 1—6
Los Angeles 0 1 1—2
First Period: New York, Gretzky 18 (C.Ferraro, Driver) (pp). 2. New York, Oliver 2 (Messier, Leetch) Second Period: New York, B.Berg 7 (Messier, Beukeboom) (sh). 4. New York, Sundstrom 21 (Messier, Lidster) (sh). 5. L.A.-R.Ferraro 21 (Olczyk, Boucher) (pp). 6. New York, Leetch 18 (Beukeboom, Gretzky) Third Period: L.A.-Yachmenev 7 (Norstrom, Boucher). 8. New York, C.Ferraro 1 (Sundstrom) Shots on goal: New York 13-6-10—29. L.A.- 7-9-9—25. Goalies: New York, Healy. L.A.-Dafoe. Storr.

SOCCER

EUROPEAN CUP WINNERS CUP

QUARTER FINALS, FIRST LEG
Barcelona 3, AIK Stockholm 1
Brann Bergen 1, Liverpool 1
Fiorentina 2, Benfica 0
Paris St Germain 0, AEK Athens 0

SPANISH FIRST DIVISION

STANDINGS: 1, Real Madrid 62; 2, Barcelona 53; 3, Real Betis 53; 4, Deportivo Coruna 50; 5, Atletico Madrid 49; 6, Real Sociedad 45; 7, Athletic Bilbao 41; 8, Valladolid 40; 9, Tenerife 39; 10, Racing Santander 38; 11, Valencia 36; 12, Celta Vigo 33; 13, Oviedo 32; 14, Compostela 31; 15, Rayo Vallecano 30; 16, Sporting Gijon 29; 17, Zaragoza 28, 18, Logranes 28; 19, Espanyol 26, 20, Extremadura 26; 21, Sevilla 21; 22, Hercules 19.

AFRICAN CHAMPIONS' CUP

Zamalek 2, St. George 0

CRICKET

FIRST TEST
NEW ZEALAND VS. SRI LANKA, 1ST DAY
FRIDAY, IN DUNEDIN, NEW ZEALAND
New Zealand 1st innings: 337-4

FIRST TEST
WEST INDIES VS. INDIA
FRIDAY IN KINGSTON, JAMAICA
West Indies 1st innings: 300-4

RUGBY UNION

Super 12 Tournament

Canterbury Crusaders 19, Wellington Hurricanes 17.

THE WEEK AHEAD

Saturday, March 8

TENNIS. Rotterdam, Netherlands — ATP Tour, ABN-AMRO World, through March 9; Scottsdale, Arizona — ATP Tour, Franklin Templeton Classic, through March 9; Mexico City, Mexico — ATP Tour, Mexican Open, through March 9; Indian Wells, California — women, WTA Tour, Event Cup, through March 9.

GOLF. Rabat, Morocco — PGA European Tour, Moroccan Open, through March 9; Miami — U.S. PGA Tour, Doral-Ryder Open, through March 9; Shimajiri, Japan — Japan LPGA, Daikin Orchid, through March 9.

CRICKET. Kingston, Jamaica — ICC, West Indies vs. India, first test, through March 10; Hamilton, New Zealand — ICC, New Zealand vs. Sri Lanka, first test, through March 11.

ATHLETICS. Paris France — IAAF, World Indoor Championships, through March 9.

AUTO RACING. Melbourne, Australia — FIA, Formula One, Australian Grand Prix, qualifying.

ALPINE SKIING. Shigakogen, Japan — men, FIS, Alpine World Cup, giant slalom, slalom, through March 9.

RUGBY UNION. Super 12 tournament— Northern Transvaal vs. Queensland

AUTO RACING. Kenya — FIA, Safari Rally, to March 3.

RUGBY UNION. Sydney, Australia — Super 12, New South Wales vs. Waikato; Durban, South Africa — Super 12, Natal vs. Otago; Pretoria, South Africa — Super 12, Northern Transvaal vs. Queensland.

Sunday, March 9

AUTO RACING. Melbourne, Australia — FIA, Formula One, Australian Grand Prix.

SOCCER. Bangkok, Thailand — AFC, World Cup qualifying, Asia, first round, Group 6, Thailand vs. Hong Kong.

Monday, March 10

TENNIS. Copenhagen, Denmark — ATP Tour, Copenhagen Open, through March 16; Indian Wells, California — ATP Tour, Newsweek Champions Cup, through March 16.

Tuesday, March 11

SOCCER. International friendly— Bulgaria vs. Slovakia.

BASKETBALL. EuroLeague elimination round, second leg— Kinder Bologna vs. Stefanel Milan; Barcelona vs. Alba Berlin; Olympiakos vs. Partizan Belgrade; Sevilla vs. Teamsystem Bologna; Ljubljana vs. Cibona Zagreb; Estudiantes Madrid vs. Villeurbanne; Limoges vs. Panathinaikos.

Wednesday, March 12

ALPINE SKIING. Vail, Colorado — FIS, Alpine World Cup Final, downhill, super-G, giant slalom, slalom, through March 16.

Thursday, March 13

GOLF. Lisbon, Portugal — PGA European Tour, Portuguese Open, through March 16; Tucson, Arizona — U.S. LPGA, Ping-Welch's Championship, through March 16; Setsuma, Japan — Japan PGA, Token Corporation Cup, through March 16.

BASKETBALL. Indianapolis — U.S. college championship tournament, through March 31.

Friday, March 14

CRICKET. Port Elizabeth, South Africa — South Africa vs. Australia, second test match, through March 1; Port-of-Spain, Trinidad — one-day international, ICC, West Indies vs. India, thru March 18; Wellington, New Zealand — New Zealand vs. Sri Lanka, second test match, through March 18.

AUTO RACING. Sebring, Florida — IMSA, 12 Hours of Sebring.

GOLF. Newport Beach, California — U.S. Senior PGA Tour, Toshiba Senior Classic, through March 16.

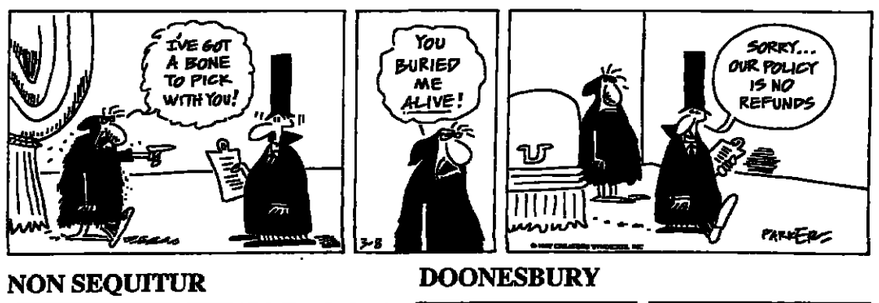
DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

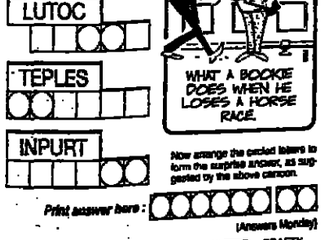
GARFIELD

WIZARD of ID



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

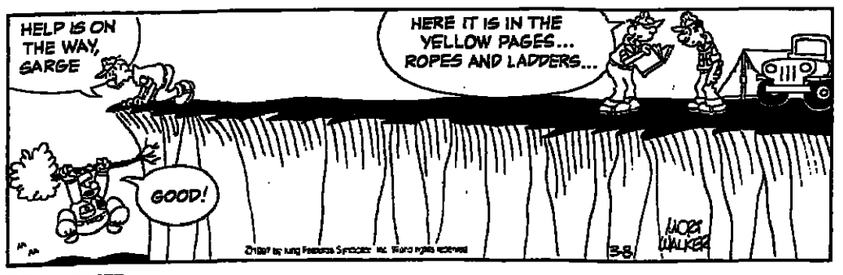


Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers Monday)

Yesterday's Jumbles: FORCE SAUTE OUTBID CRAFTY
Answer: The first attempt to refine petroleum turned out to be — A CRUDE EFFORT

BEETLE BAILEY



NON SEQUITUR

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DAVE BARRY

A Retiring Sort of Guy

MIAMI — I've been thinking about how to fix Social Security. Ordinarily, I focus on issues like how to remove little pieces of pepperoni stuck between my teeth, and I leave government problems to the trained professionals in Washington (motto: "Overlooking The Obvious Since 1798").

But they are frankly not getting the job done. President Clinton hasn't had time what with all these pesky scandals, which have forced him to scale down his vision for his second term from "build a bridge to the 21st century" to "settle out of court."

Congress has also been busy, focusing its brainpower on the scandal swirling around House Speaker Newt Gingrich, who was formally accused by members of the House Ethics Committee of reminding them of the Pillsbury Doughboy.

No, sorry, I'm confusing the House Ethics Committee with me. Newt was accused of violating the tax laws. Now you may say, in Newt's defense: "But EVERYBODY violates the tax laws. The whole POINT of the U.S. tax system is to be so complicated that no normal human can conform to it, or even think about it for more than 10 seconds without bleeding from the forehead. This system enables the Internal Revenue Service to select random taxpayers for audit with 100 percent confidence that they will be guilty of something, even if they live in isolated wilderness areas and measure their annual income in squirrel meat."

Yes, but Newt is not a "normal human." Newt is a member of Congress, the very organization, if you want to call it that, that PASSES the tax laws, and he is therefore theoretically supposed to have some idea what they say. Of course, the truth is that the congresspersons are too busy raising campaign money to read the laws they pass. The laws are written by staff tax nerds who can put pretty much any wording they want in there. I bet that if you actually read the entire the U.S. Tax Code, you'd find at least one sex scene ("'Yes yes YES!' moaned Vanessa as Lance, his taut body moist with moisture, again and again depreciated her adjusted gross rate of annualized fiscal debenture").

□

My point is that our leaders, what with one thing and another, do not have time for leading, which leaves the Social Security problem up to me.

First, we need to clear up a misconception. Many Americans believe that Social Security works this way: The government takes money out of your paycheck, keeps it for you in a safe place like a giant federal mattress, then, when you retire, starts giving it back to you.

If that's how you think it works, then let me quote the famous French economist Francois Quesnay (1694-1774): "Ding dong, you're wrong."

What actually happens is, the government takes money out of your paycheck and immediately gives it to a retired person. This system works fine as long as there are enough younger people working to support the retired people. But there's going to be Big Trouble in the year 2012, which is the first retirement year of the massive Baby Boom generation (defined, technically, as "people who, when you say 'Shirley, Shirley, bo-berly,' instantly respond 'Bonana fanna fo-ferley' ").

There will be WAY too many of us Baby Boomers collecting benefits, and WAY too few "Generation X" workers to support us unless they are forced to pay ridiculously high tax rates, and Social Security will collapse like a Wal-Mart lawn chair under Senator Edward Kennedy.

What can we do? One solution would be to reduce Social Security benefits, but this is out of the question, because of the powerful senior-citizen lobby. If any politician dares to even talk about cutbacks, the American Association of Retired Persons notifies the politician's mother, and she immediately flies to Washington, marches into his or her office and twists his or her ear until he or she promises never to do it again.

□

So if we can't cut benefits, what can we do? Unfortunately, there is no one easy answer. There are in fact four easy answers:

1. GO AHEAD AND FORCE GENERATION X WORKERS TO PAY RIDICULOUSLY HIGH TAX RATES. They deserve it, for starting this stupid cigar craze.

2. SET A MANDATORY FIVE-YEAR-MINIMUM PRISON SENTENCE FOR ANY PERSON CONVICTED OF USING SOCIAL SECURITY BENEFITS TO MAKE A PURCHASE FROM THE HOME SHOPPING NETWORK. The minimum would be increased to 10 years if the purchase involved a ceramic cat.

3. DO NOT GIVE SOCIAL SECURITY BENEFITS TO PEOPLE WHO SPEND THE EQUIVALENT OF THE GROSS NATIONAL PRODUCT OF CHILE TRYING TO LOOK AS THOUGH THEY'RE TOO YOUNG TO QUALIFY FOR SOCIAL SECURITY. This would be called the "Zsa Zsa" rule.

4. REDUCE THE EXPECTED CRUSH IN THE YEAR 2012 BY ALLOWING BABY BOOMERS TO RETIRE EARLY, GOING IN ALPHABETICAL ORDER, STARTING WITH THE LETTER "B."

See you on the shuffleboard court.

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The Great French-American Divide

"We are all Americans at puberty; we die French."
Evelyn Waugh, "Diary"

MARY BLUME

International Herald Tribune

PARIS—The differences between the Americans and the French have a long and grand literary history that has faded over recent decades, possibly because Americans have decided that they are a more interesting and important subject than the French, possibly because Paris has become too expensive for expatriate novelists, possibly because the differences themselves have seemingly become fewer.

The French not only wolf down but actually like Big Macs and they flock to Disneyland Paris while, as Diane Johnson says, "There are no longer risqué shows that you can't get in Cincinnati or clothes that you can't get in Cincinnati. It's a kind of muting of cultural differences, at least superficially. There are still the great ones but maybe they aren't so apparent." Johnson's eighth novel, "Le Divorce," is a comedy of manners about such differences.

Much of the comedy comes from surface details (how *do* Frenchwomen find such clever ways of arranging their scarves? Why do they talk so much about food and never mention money?), but none of them is superficial. It is no coincidence that Johnson's bright-eyed California innocent has the same first name as Henry James's Isabel Archer and that the book ends in betrayal, pain and death.

Johnson, a distinguished novelist, biographer, essayist and scenarist of "The Shining," has lived for many years between San Francisco and Paris where her Californian husband, a prominent physician, works with French government tuberculosis programs and one of her four children is an architect. "Le Divorce," published in the United States by Dutton and by Chatto & Windus in London, has hit the best-seller lists in California and New York and brought four movie offers so far, suggesting that Americans in Paris are again an intriguing subject, although on her U.S. book tour Johnson, disappointingly, was usually asked are the French still so rude (answer: no) and which are her favorite Paris restaurants.

In the six months covered by the novel, Isabel has come from Santa Barbara (inaccurately familiar, of course, to the French from the TV soap of that name) to baby-sit for her pregnant sister, Roxeanne, and hoping like so many Americans to knock off her rough edges in "Europe, repository of something they wish to know, and feel they are entitled by ancestry to know."

She arrives by chance on the day after Roxeanne's French husband, Charles-Henri de Persand, has left her for a new love. The Persand family, given to huge Sunday luncheons and perfect manners, sides with Roxeanne, counsels patience, and subtly tries to civilize the errant Isabel, unaware that she has started an affair with the elderly Uncle Edgar.

The civility continues until the divorce settlement is discussed when the Persands become predictably Balzacian and the Americans, equally predictably, become at once moralistic and litigious. The divorce is complicated by a family painting Roxeanne brought over from California and which, it turns out, may be a rare Georges de La Tour and therefore crucial to the divorce settlement. The Americans consider it theirs but as Madame de Persand, points out with dangerous French finality, "It is a French picture after all."

The subject of the painting is Saint Ursula, "a natural ascetic to whom renunciation would cost nothing," unlike the characters in the book. Johnson clearly has a good time weaving an extremely complicated plot and making observations, so quiet that their sting is almost unfelt, about the two societies and the expatriates trying to encompass them both, deluded into thinking that they have found the secrets of their new world and terminally cut off from the old.

She is an elegant writer, unassuming not only in the sense of being without pretensions but in coming to her material without prior assumptions. Early on she abandoned her first approach to the book, which was to do a reverse Henry James in which it is the Americans who corrupt innocent Europeans. "I was able to get some of it but what always happens is that people become people and therefore they become bad as well as good."

What she is dealing with in part is the French sense of measure and the American tendency to the outsized. So the French seem stingy, and often are, and the Americans seem excessive and often are. With their tendency to categorize, the words the French use about Americans have both a positive and negative aspect: frank/tactless, impetuous/heedless, fresh/gauche, generous/spendthrift.

Her French characters, she points out, have a strong sense of what is correct, a word that means little in English and less now in America where the woolly notion of situational morality is gaining force. Correctness is a way of codifying behavior as contrasted with the American notion of doing your own thing and going to the lawyer or the therapist when it doesn't work out.

Novelist Johnson: Americans in Paris are again an intriguing subject.

At its best a comedy of manners is a way of being serious and all Johnson's novels have dealt with issues of the day from urban violence to medical ethics. In "Le Divorce" Bosnia is part of the story, a shadow in the amusing American/French discord that suggests what happens when nationalism is carried to a tragic extreme. "Bosnia is really the end point of the cultural differences that are the subject of the book," Johnson said. "It was the other extreme of the cultural homogenization represented by Disneyland."

For a comedy of manners, "Le Divorce" is packed with incident to the point that the British publishers asked Johnson to delete a chapter ending with a riot during a book reading at a shop based on the Left Bank's Village Voice because they saw it as a set piece drawing parallels between Bosnia and Vietnam that might be alienating to British readers. "Americans do tend to have this Vietnam filter through which they see a lot of other warfare," said Alison Samuels of Chatto & Windus. (Johnson used the salient material elsewhere in the British edition.)

"Le Divorce" ends dramatically with an attempted kidnapping and murder. "It's probably one of those anxious reflexes arising from a lack of self-confidence making one go all antic," Johnson explained. "Actually, there have been quite a few complaints about that in reviews — why does she need all that?"

But it is a way of bringing it all together, the cultural differences with all-too-human consequences. The French call the murder a *crime passionnel*, the Americans senseless violence. It ends with the same thing: a man is dead. But the Georges de La Tour turns out to be real.

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PEOPLE

COMING out of the ideological closet, **Walter Cronkite** has unleashed a full-throated attack on the Christian Coalition as a "genuinely radical movement known as the religious right wing." The former CBS anchor signed a fund-raising letter for the Interfaith Alliance, a religiously based group that claims 40,000 members in 36 states. The letter calls the Christian Coalition "lavishly funded" with "harsh right-wing views" and a "militant ideology." It underscores Cronkite's decision to use the credibility he accumulated over five decades in the news business to bolster a fund-raising appeal. "I'm obviously dropping my impartiality here," Cronkite told The Washington Post. "This is a subject I could not handle if I was going back on the air. I do not believe I'm in any way compromising my journalistic role."

□

Elizabeth Taylor was terrified that brain surgery would kill her or leave her a vegetable. After getting through it, she pledged to live life to the fullest. "I've still got a lot of living left to do. It's not over. The Fat Lady has not sung," Taylor wrote in the April issue of Life magazine. The actress had her head shaved for the tumor operation, and the magazine includes a photograph of her sans hair and makeup. "I won't dye my hair for awhile. I'll let it grow out white," she wrote. Taylor, 65, left the hospital Feb. 26, but returned last Saturday after a mild seizure.

□

ABC is creating a new position for **Roone Arledge**, the longtime president of its news division, in a move to prepare a successor to him in that operation. Arledge was named chairman of ABC News, while **David Westin**, who had been president of the ABC Television Network, was named president of news. Westin will now report to Arledge, who until now reported to Westin. The unusual shift, which ABC described as promotions for both men, came as ABC News continues to battle a series of legal judgments against several of its programs and faces a stern test for news leadership from NBC, which has recently challenged ABC's top position in the ratings among network evening newscasts and has long surpassed ABC among morning news shows.

□

Two unknown early paintings by the Dutch artist **Piet Mondrian** have been discovered in the Netherlands, it was announced Friday. The two oils, "Landscape with Trees" and a portrait of a four-year-old child, were painted between 1900 and 1907. They were brought to the Mondrianhuis in Amersfoort, which operates as a foundation from the artist's home, by unidentified collectors who thought they might be originals. A Canadian professor, **Robert Welsh**, authenticated them. A spokeswoman for the foundation said that the landscape would be auctioned by Christie's in Amsterdam on June 4, and that the owner of the portrait has decided to keep it. Mondrian painted many figurative works before turning to geometrical abstract art in the 1920s.

□

Nelson Mandela says that he will keep bringing **Graca Machel** along on foreign trips, but that a wedding is unlikely anytime soon. If the officials who plan his travel "do not object to any association which I have, I may continue as I have done now," the South African president told reporters. Mandela was speaking in Singapore on the third leg of a four-nation trip. His romance with Machel, the former first lady of Mozambique, was made public last year, but this is the first time she has accompanied him on a state visit.

□

Margaret Kerr, who convinced a telecommunications giant to stop using ozone-depleting solvents, has been recognized by the United Nations Environment Program as one of 25 exceptional woman leaders. Under Kerr's guidance, Nortel in 1992 eliminated the use of ozone-depleting chlorofluorocarbon solvents from its manufacturing and research operations. "My goal has been to move environmental initiatives higher on the corporate agenda," said Kerr, a senior vice president. Others honorees included the singer and actress **Bette Midler** and **Queen Noor** of Jordan.

□

The New York Times and the Los Angeles Times have each won two of this year's 11 George Polk awards for outstanding journalism. The New York Times won an award for economics reporting for its series "The Downsizing of America." And one of the paper's correspondents, **John F. Burns**, won the award for foreign reporting for his articles on the takeover of Kabul by Taleban, the militant Islamic group. The Los Angeles Times won the prize for political reporting for "Money From Asia," about suspect contributions from Asian sources to the Democratic National Committee. The paper also won the award for cultural reporting, for **Chuck Philips**'s articles about the inner workings of America's $12 billion music industry. The award for foreign television reporting was won by **Christiane Amanpour** and **Anita Pratap** of CNN for "Battle for Afghanistan," an examination of the armed struggle for control of the country, with revealing interviews of key figures in opposing camps. A reporter for The Plain Dealer in Cleveland, **Elizabeth Marchak**, won the award for national reporting for her articles raising questions about the government's handling of air safety violations. The awards, administered by Long Island University, were established in 1949 in memory of **George W. Polk**, a CBS correspondent who was killed in 1948 while covering the civil war in Greece.

Anders Krusberg/The Associated Press

CLAP HAPPY — Whoppi Goldberg signaling time-out as she is applauded by the audience and the cast of "A Funny Thing Happened on the Way to the Forum."

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